DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1952

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-SECOND CONGRESS

FIRST SESSION

SUBCOMMITTEE ON AGRICULTURE

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PART 1

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DEPARTMENT OF AGRICULTURE APPROPRIATIONS FOR 1952

FRIDAY, FEBRUARY 9, 1951.

WITNESSES

HON. CHARLES F. BRANNAN, SECRETARY OF AGRICULTURE
CLARENCE J. McCORMICK, UNDER SECRETARY OF AGRICULTURE KNOX T. HUTCHINSON, ASSISTANT SECRETARY OF AGRICULTURE
W. CARROLL HUNTER, SOLICITOR, OFFICE OF THE SOLICITOR
O. V. WELLS, CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
DR. P. V. CARDON, ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION
RALPH S. TRIGG, ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION
T. ROY REID, DIRECTOR OF PERSONNEL, OFFICE OF THE SECRETARY
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. Gentlemen, the committee will be in order. We are indeed glad to have with us our friend and colleague, Joe Bates, who has been a very active and able member of the Committee on Appropriations for a number of years. We welcome him, as an individual, to the committee. We are glad to have his able assistance as we go through these hearings.

He has always evidenced a tremendous interest in agricultural problems. He comes from that type of area. We know he will be of real help to us in the work of the committee.

Mr. ANDERSEN. I want to join in those remarks to Mr. Bates. I am certainly glad he is on this subcommittee.

Mr. HORAN. I want, also, to join in those remarks, Mr. Chairman. We are very glad to have you with us.

Mr. STIGLER. May I make it unanimous, Mr. Chairman.

Mr. WHITTEN. Mr. Secretary, we are indeed glad to have you with us as well as your associates, Mr. McCormick, the Under Secretary of Agriculture; Mr. Hutchinson, Assistant Secretary of Agriculture; Mr. Hunter, Solicitor; Mr. Wells, Chief of the Bureau of Agricultural Economics; Dr. Cardon, Administrator of Agricultural Research Administration; Mr. Trigg, Administrator, Production and Marketing Administration; and Mr. Reid and Mr. Roberts in their official capacities.

We will be glad to have your general statement. We will try to let you go through this as far as possible without interruption. I know it will be easier on you to proceed on that basis.

General Statement

Secretary Brannan. We will be happy to proceed in whatever way you wish.

I appreciate this opportunity to talk over with you the work of the Department of Agriculture. These annual hearings are of great importance to agriculture, providing as they do both a comprehensive review and a specific plan for all that the department undertakes in agriculture's behalf. Hearings such as this are the harness, so to speak, in which the legislative and executive branches can be hitched together to pull as a team.

There are, of course, many other joint and coordinate functions, but none is more important than the program review and planning of the budget-making process.

More than ever, these times necessitate realistic appraisals of all our programs and how those programs fit into the pattern of our mobilization needs.

We have made such appraisals to the best of our ability in preparing our budget estimates. We believe the proposed budget is a sound one in the light of present circumstances and the over-all fiscal problems confronting the Federal Government as a result of existing international uncertainties.

Under more normal conditions, we would regard the proposed budget as less than adequate to meet essential needs. But we are entirely aware of the necessity, as I know you are, to put first things first while providing as well as possible under existing circumstances for a sound future.

In other times and under other conditions, we have discussed some of the serious economic problems that confront agriculture, and outlined suggestions for consideration of the Congress in meeting them more adequately than they have been met in the past. It would certainly not be realistic now to think or act in any terms other than the defense emergency that confronts us. And it would be wrong for anyone to assume that we are doing otherwise in the Department of Agriculture.

From the time of the Korean outbreak on down to the present, throughout the period of growing awareness of the grave situation our Nation now faces, we have considered and are still considering agriculture's problems only in the light of conditions as they now exist.

Whether in peace or in war, the goal of our farm programs is to meet our actual needs.

Because of the necessity of keeping the preparedness effort foremost in our minds, it is my intention to discuss our work particularly as it concerns our Nation's defense mobilization.

In order to be helpful to you in making your appraisals I have brought together some pertinent facts bearing upon the following important topics:

(1) Agriculture's role in defense mobilization; (2) the impact that changing world conditions have already had upon agriculture; (3) the conditions that exist in agriculture today; (4) how our policies and activities are geared to the defense effort; and (5) the further assistance that agriculture may require to fulfill adequately its responsibilities to the Nation during the uncertain period ahead.

Agriculture's Role in Defense Mobilization

Ever since the Korean outbreak, American agriculture's productive ability has assumed added significance from the viewpoint of agriculture's basic and vital role in the Nation's defense effort.

Our security is in strength—economic as well as military. We know we must keep our economy strong to maintain our military strength. And we know from experience that we cannot long maintain a strong economy without strength and stability in agriculture.

Agriculture, therefore, is a vital part of our potential national strength and must be so regarded. Preparedness means more than just tanks and planes and guns. It means adequate supplies of food and fiber as well.

Agriculture's present mobilization challenge is an urgent call for abundant production, for both the physical and economic needs of the Nation. We must strive to produce enough of the right kinds of food and other farm products to fill every need at reasonable prices.

Impact of Changing World Conditions on Agriculture

Changing world conditions have already been felt sharply in agriculture, causing an abrupt about face in some agricultural trends during 1950 and greatly changing the outlook for the year ahead.

These rapidly changing conditions, and the inflationary pressures accompanying them, emphasize once more the importance of our vast farm productivity to the Nation's stability and security. They emphasize, too, the importance of national policies strengthening the position of agriculture in our economy, and strenghtening its ability to adjust itself rapidly to the changing needs of that economy.

American farmers went into 1950 with growing concern over possible surpluses of some farm commodities, because effective demand was failing to keep abreast of agriculture's ability to produce. They came out of the year concerned, instead, with producing in sufficient abundance to meet a rising demand.

The impact of the Korean outbreak on the Nation's economy, presaging heavy defense expenditures, high employment levels, and increased consumer incomes, halted and reversed the downward trend in farm prices and farm income in midyear.

However, the greatly improved demand and better prices during the last half of 1950 were only sufficient to about counterbalance the lower demand and prices of the first half. Gross farm income in 1950 was almost the same as in 1949, while rising farm expenses meant that net realized farm income was still below the 1949 net income, marking the third consecutive year of decline.

More food was available for distribution in the past year than in the two preceding years. Food disappearance was more than a third larger than in the prewar period, although slightly below the 1944–47 average.

Per capita consumption of meat, poultry, and eggs, fluid milk and cream, fresh vegetables, and fats and oils all registered small increases during the year—a reflection of high-level civilian employment and income.

We expect, of course, that employment and income will reach higher levels in the present year. We know from experience that

people consume more food in periods of full employment and high purchasing power such as the defense effort will create, and we know that the pattern of demand changes.

We must set our sights high to meet this increased and still changing demand.

Conditions in Agriculture Today

American farmers are in a better position to respond to the demands of mobilization than they were at the outbreak of World War II.

Our productive power is the greatest in history. We are already geared to produce around 40 percent more than the average for the years just preceding World War II. Assuming a fair break from the weather, and adequate materials for production, I believe American farmers can boost their production a good deal higher.

Farmers have been plowing back into their business the gains of relative prosperity in recent years, making farming more highly efficient than ever before.

Farm output per man-hour reached an all-time high during 1950, and is now about twice what it was 40 years ago.

We have more farm machinery than ever before, and more efficient farm machinery. There are over twice as many tractors on farms now as there were at the time of Pearl Harbor. Two and a half times as many farmers now as prior to World War II are in a position to use electricity for saving manpower and increasing production efficiency. Inventory volume of all farm power and machinery, measured in terms of 1935–39 dollars, is at a record level.

Research has been steadily producing better plant varieties, new hybrid seeds, improved bug and weed killers, and more efficient uses of fertilizer.

Our 1950 crop production was the third largest on record, exceeding the average of the previous 8 years, which was the most productive period in American agricultural history. Farmers achieved this high production despite sharp reductions in acreage of several major crops and a growing season that had many unfavorable aspects.

Production of food alone in 1950 was slightly larger than in 1949, and nearly equal to the highest marks of record. Farm production of nonfood commodities, on the other hand, was 12 percent lower than in 1949, mainly because of the smaller cotton crop. Only 9.9 million bales of cotton was produced, the combined result of a sharp reduction in harvested acreage plus a less-than-average yield per acre.

Increases in livestock production largely offset declines in crop output to keep total farm production close to record levels.

Our grain production was exceeded only three times before in history. Food grains were down some from 1949, but still larger than in any year before 1944. The wheat crop of 1,027,000,000 bushels was just about average. Farm stocks of wheat on January 1 were below the 1940–49 average, but slightly larger than a year ago.

Feed grain production was the third largest in history, exceeded only by the 1949 crop and the all-time high mark of 1948. Included in the total were relatively large out-turns of 3,131,000,000 bushels of corn and 1,465,000,000 bushels of oats.

With our reserves, the total supply of livestock feed for the coming year will be larger, in bushels and per animal, than when we entered World War II—and larger than the wartime peak in 1944. Stocks of

nearly 2,161,000,000 bushels of corn remained on farms January 1, and these are bolstered by relatively large stocks of other feed grains. While these farm supplies of feed grains are somewhat smaller than on January 1 of the past 2 years, they are larger than in all but 3 years of record.

Hay stocks appear ample in most areas. Soybean stocks are much larger than on any other January 1, because of the record crop, and despite a far larger movement from farms than in any other October–December quarter.

While yields generally increased in 1950, acreage in production was down. The 52 principal crops were planted or grown on nearly 358,000,000 acres, about 12,000,000 less than in 1949. Harvested acreages of these principal crops amounted to about 341,000,000 acres, the smallest total since 1942. This was nearly 16,000,000 acres less than the relatively large 1949 total.

The 1950 season again emphasized the importance of farm mechanization. Power machinery enabled producers to wait out periods of adverse weather and make rapid progress with field preparation, planting, cultivation, or harvest when conditions became favorable. Such widespread mechanization, all the more necessary in periods of heavy military and industrial use of our manpower resources, makes agriculture extremely dependent upon adequate supplies of machine parts, replacement equipment, and skilled operators, to keep its productive power at the peak.

Output of livestock commodities increased in 1950. Total production of livestock and livestock products for sale or home use was 39 percent above the 1935–39 average, only about 3 percent below the all-time peak reached in 1944.

Fortunately for the Nation's future meat supply, cattle numbers have been increasing since 1948. The increase during 1950 was probably as large or larger than the gain of nearly 2,000,000 head of cattle and calves during 1949. Hog production also increased, with 1950 production estimated at about 101,000,000 head—5,000,000 more than in 1949, 18,000,000 more than in 1946. The 1950 fall pig crop was 9 percent larger than the 1949 fall crop, and a 6 percent increase in the 1951 spring crop over the same 1950 crop is indicated by farmers' intentions as of December 1.

The sheep situation is less favorable. Wool supplies are tight. In 1941, United States wool stocks were low, but domestic production was close to the all-time record and supplies available in the British Dominions were very large. Now stocks are again relatively low and domestic production last year was over 40 percent below 1941.

At present, the United States is competing with other importing countries for supplies from surplus producing areas. Surplus stocks piled up during World War II have been depleted and world consumption in 1951 will be limited to current production.

Total production of milk for 1950 is estimated at 120,000,000,000 pounds, compared with 119,000,000,000 pounds in 1949, and second only to the 1945 record of over 121,000,000 pounds.

This impressive record of our agriculture offers ample proof that American farmers have both the will and the ability to provide adequately for the needs of our Nation in peace or war, provided they are not obstructed by adverse factors beyond their own control.

Gearing of Policies and Activities to Defense Effort

Agriculture's strong position and its ability to assume an essential role in defense mobilization is due in no small part to the foresight and wisdom of the Congress in providing constructive farm programs that have strengthened our agriculture economically, improved rural standards of living, encouraged farm ownership and better conditions of tenure, fostered research and education, provided necessary credit assistance, and conserved and improved our land resources in the public interest.

These farm programs of price support, conservation, credit, electrification, research, extension, and other services, proved of tremendous help before, during, and after World War II. They are equally invaluable in the present emergency. There is need to reemphasize the vital role of such programs in agricultural production, and consequently in national production. More production, and more efficient production, is our defense objective.

Even in normal peacetime, the programs of the Department of Agriculture are in a sense defense work. They defend the Nation's supply of food and fiber against insects and diseases that threaten to curb our plant and animal production, against weather risks, and against economic hazards beyond the farmer's control.

Rather than weaken any of agriculture's defenses against normal hazards, we need now to strengthen them.

Much of the Department of Agriculture's existing work relates directly to our mobilization's objective for agriculture: more efficient production of raw materials basic to the strength of the Nation's economy.

Most day-by-day peacetime tasks of the Department of Agriculture are the same tasks that are now more essential than ever to security and stability. They are designed to strengthen agriculture's productive ability, to safeguard our food supply, and to assure conservation of productive resources for the long pull that lies ahead.

As a consequence, our budget estimates for 1952 provide for maintenance of agricultural activities in general at about the current level.

That is by no means a "business as usual" attitude; just the opposite is true. Our emphasis has been placed upon our defense responsibilities, with redirection of activities, wherever necessary, to serve defense purposes more effectively and more economically. All agencies of the Department have undertaken, under general departmental leadership, a comprehensive study and continuing action to defer, curtail, or otherwise modify program activities and related supply and equipment management practices.

Our research people are making plans for shifting much of their work to meet special needs of mobilization. We will have to accelerate our research on such things as dehydration of foods, and production of critical materials now in short supply.

A large part of this redirection of emphasis will not, of course, be felt immediately, but rather will be cumulative in effect over the next few months. However, some reductions are proposed. Increases are recommended only for a relatively few items to meet specific legislative requirements, to strengthen and intensify work which will contribute directly to the defense program, and to provide necessary protection against insect pests and plant and animal diseases.

For much of our work, no redirection has been necessary. Let me give you a few simple illustrations of just how our Department's normal operations have become significant defense responsibilities.

It is to the Bureau of Animal Industry and Bureau of Entomology and Plant Quarantine in our Agricultural Research Administration that the Civil Defense Administration looks as our first line of protection against possible attempts to sabotage our food and fiber resources. Thus a job that the Department does every day in peacetime becomes an increasingly essential one in wartime. The same scientists and the same laboratories that protect our food and fiber from accidental infestations will be depended upon to protect us from the increased hazard of deliberate infestations.

The Agricultural Research Administration has an efficient peacetime system for preventing the introduction into this country of insect pests and plant and animal diseases. Inspectors are always on the watch on our borders and at ports of entry. Almost every day potential enemies of the insect and disease world are intercepted and turned back. It is no little task, even in peacetime. Without alert safeguards they would be invading us by ships, by rail, by auto, and by airplane; they can come secreted in packages of food, in wrappings of gifts, in baggage, and in ship's garbage. Even parcel-post packages have been found to be a means of infiltration.

If only a few of these dangerous biological invaders could establish a beachhead they might wreck our production plans. So it is vital that our quarantine system, which has been geared to so-called normal situations, should now be put on an emergency basis.

Take another example: During World War II, our Office of Foreign Agricultural Relations provided our military with valuable information on conditions in other lands. Whenever our forces made an invasion, they took with them accurate knowledge of the agricultural and food conditions they would encounter. This agency was the source of much of the basic data for the distribution among our allies of the foods and other agricultural products in scarce supply. These and other essential services were the wartime dividends of peacetime work.

OFAR's activities are increasingly important in these times of international tension. Food is an important instrument of foreign policy, and we are necessarily concerned with the strength of all free peoples in the current world struggle of ideologies.

Incidentally, in line with this committee's interest, I am glad to report that improved arrangements have been made and are being made with the Department of State with regard to the agricultural attachés, who are our chief source of information on agriculture in foreign countries.

The work I have so far discussed is by no means all that we are doing for preparedness.

Less dramatic, perhaps, but certainly no less important to the Nation's defense are the Department's other activities aimed toward abundant and efficient production by American agriculture. We can and must provide safeguards against factors that would obstruct the abundant production we need in the critical period ahead. In that effort, every bureau and agency in the Department is involved.

In our preparedness program, how do we get more efficient production? There is no magic about it. It is basically the same as at any

other time. Science adds something to the sum total of knowledge. Through the educational channels, the facts get to farm people. The farmer, if he finds it feasible from an economic standpoint, uses a new method, an improved variety, or a better chemical and gets a bigger or better product with less work or less cost. It is the familiar pattern. The only difference is that the greater efficiency is more important when our survival is at stake.

In our preparedness program, how do farmers keep informed of prospective demand and other economic conditions? They depend even more than usual upon the economic statistics that the Department prepares.

In addition, national requirements for various commodities must be computed as the basis for production plans, and farmers must be kept informed as to available supplies of fertilizer, insecticides, and other materials essential to their production. In short, the preparedness program adds to the need for good statistical services and continuing economic analysis. This means we call upon the Bureau of Agricultural Economics in countless ways, day after day.

In our preparedness program, how do we organize a production program? How do we translate decisions at the administrative level into action in the field? How do we make sure our farmers are getting the labor and supplies and materials necessary to do the job we are expecting them to do?

We learned during World War II that the use of farmer committees was the most practical and most efficient method. Fortunately, we now have available an effective Nation-wide farmer committee system, already functioning and familiar with such important responsibilities.

In our preparedness program, how do we protect our productive resources so that our ability to produce can be maintained at high levels for as long a period as may become necessary? We do it in the very same way we have learned to safeguard our resources in peacetime—through the technical and financial assistance of our soil-conservation programs. The only difference is that the need for conservation farming will become all the greater as the pressure for production increases.

In our preparedness program, how do we increase our output of forest products so necessary to industrial expansion, and yet protect our capacity for sustained production by keeping our basic resources strong? Mobilization on top of our own expanding domestic economy is going to mean tremendous demand on our forests. We have enough forest land to do the job, provided we manage that land well.

In times like these we reap the benefit of our past and present protective management of the national forests, which now contain more than 30 percent of the Nation's total volume of standing saw timber. Our forestry chief is confident we can meet our obligations, both for the present and for the future, if we go about it carefully and wisely. Production is not yet up to sustained-yield capacity on many of the national forests.

If funds are provided to build needed access roads and provide sufficient personnel to prepare and supervise the timber sales, the sustained-yield output of timber from national forests can be increased by more than 50 percent within a very few years. Hence, the economic importance of protecting our forest lands from the ravages of fire in peacetime is increased manyfold in time of war or threat of war, with its threat of sabotage and incendiary attacks.

It is likewise important that we build up our range forage resources as one means of increasing the supply of meat, hides, and wool. In this period of greatly increased demand for livestock products, reseeding of national-forest ranges and improvements to facilitate their most productive management are urgently needed. They are good investments at any time, but especially so right now. Again, our normal peacetime objectives and work in forestry become of even greater significance in time of emergency.

In our preparedness program, how do we protect the Nation against the always present hazard of crop failure due to unfavorable weather? In normal times we have learned to minimize the threat of bad weather by maintaining safe reserves of feed, food, and fiber. Under present conditions, we appreciate more than ever our stocks of the storable farm commodities, stocks which are now accepted as valuable strategic reserves. They need to be kept at greater than normal levels, as insurance against drought or other unfavorable conditions. That requires more storage space. Fortunately, the emergency storage program has added 700,000,000 bushels of storage facilities—enough to house, for example, two-thirds of an average wheat crop.

We could go on right down the line on how almost all the activities of our department either already fit into defense purposes or are being redirected toward that end.

One of agriculture's most immediate concerns is that of keeping the necessary tools of production flowing to the farm. The Nation must not underestimate the importance of adequate equipment and supplies for farmers—and for industries supplying farmers.

We have taken advantage of the already existing framework of the Production and Marketing Administration in setting up the necessary machinery for such essential new defense purposes.

We have established an Office of Materials and Facilities to act as claimant for farmers and food processors and producers of farm equipment, to make sure they get needed essential materials. We're watching the whole farm-equipment and supply situation very closely. While aggressively seeking to eliminate the possibility of shortages, we realize that we may have to work with shortages. The job then will be to put available materials and supplies to the best use.

We have established an Office of Requirements and Allocations to be responsible for integrating the demand for farm products—to find out how much food we need, how much we've got, and to balance off requirements of civilian, military, ECA, and other outlets in view of available supplies. We seek to give the farmer the best guidance possible as to the total production needs of the Nation.

An Administrator's Program Staff has been set up to assist in developing and coordinating defense program policies and plans, and a new Price Staff has been given the responsibility for evaluations and recommendations on price questions. We have established liaison with the Department of Labor on manpower problems, in the capacity of claimant for agriculture's necessary labor supply. With the more complex, mechanized agriculture of today, and with fewer farm workers, it is even more important to retain key skilled workers on farms than it was in World War II.

In general, PMA's existing commodity and action branches and offices have been given basic responsibility for developing and carrying out defense programs and activities in their normal fields of operation.

But let me make it clear that not only the full facilities of all branches of PMA but also all other bureaus of the department will be utilized to achieve our preparedness objectives—the new offices acting as clearing-houses or coordinating bodies. Full use will also be made of our farmer-committee system for translating decisions at the administrative level into action in the field.

Let me emphasize this use of our existing facilities and programs for our expanded defense responsibilities. We are not asking for additional millions to set up and operate a separate War Food Administration. We believe we can not only save considerable money by carrying on our defense functions within existing agencies but we can also do a more effective job with less confusion and overlapping.

We have already geared the department's policies to the big job of production ahead.

In order to encourage production of the abundance we need, we have announced that there will be no marketing quotas or acreage allotments on cotton this year. We hope to boost our production to 16,000,000 bales. We have also announced that there will be no marketing quotas or acreage allotments on 1951 crops of corn and wheat.

In asking for increased production, we recognize that the situation differs greatly between farms and between areas. We want each farmer to make those increases in production which will best utilize his own resources.

Assistance Needed by Agriculture

For most crops and classes of livestock, the current situation can probably best be met by informing farmers as to the total acreages or level of production which seem desirable, and the various positive steps which the department can take to assist them, including the announcement of the appropriate price supports.

There is still considerable misunderstanding about what has happened to farm prices and farm income since the outbreak of the Korean War.

Although agriculture shared in the general economic improvement in 1950, particularly during the last half of the year, farmers' prices and incomes were far from setting records for the year.

Our farm price trends naturally reflected the expansion in consumer buying power. From December 1949 to December 1950, prices received by farmers rose an average of 23 percent, with the greatest gains registered in July and December immediately after the Korean and Chinese Communist developments.

But it must be recognized that the postwar adjustment for agriculture was much more severe than for business and industry. From the high point reached in January 1948 to the low of December 1949, prices received by farmers had dropped an average of 24 percent. Even with the recovery made during 1950, therefore, farmers' prices for the year averaged only slightly above 1949 and remained more than a tenth below the 1948 mark. With the volume of marketings slightly lower than in 1949, farm income showed another drop. The Bureau of Agricultureal Economics estimates gross farm income for 1950 at $32,000,000,000—almost the same as 1949's 32.2 billion dollars, and 3.1 billion dollars below the 1948 peak.

Since costs have risen, net income realized by farm operators—the amount they have left to spend on living and farm operations for the year ahead—is estimated at about 13 billion dollars for 1950. That compares with the 14.1 billion dollars in 1949, and the 1947 peak of 17.8 billion dollars.

In no other major phase of our economy has there been such a pronounced and continuing postwar decline in incomes.

These facts underline the continuing importance of adequate price-support programs for important farm products. The strong price-support programs of the past helped give to our agriculture the production momentum which enabled it to meet the unprecedented wartime demands and to establish new farm production records in the postwar period—records that played so big a role in the rehabilitation of Europe and in checking Communist inroads.

In the Nation's interest, farmers may produce even beyond the amounts they know they could sell at profitable prices. We want that extra amount beyond visible current needs as an anti-inflationary influence. We want enough to meet current demands and maintain safe reserves as a vital safeguard against the hazards of weather and other unforeseeable forces.

In fairness to the farmer, can we expect him to bear the full burden of protecting the rest of the economy by producing to the extent of driving his own returns below a fair level? Farmers are not asking a "guaranty" of profits. But they do have every right to ask reasonable protection when they are called upon to act in the Nation's interest without regard to their own.

The uncertainty of the Nation's future needs in such times as these makes greater the farmer's gamble in answering the call to abundant production, and increases rather than lessens the need for adequate price protection. I continue to believe we must see that agriculture has that assurance.

Moreover, in times when we require efficient use of all our resources, we must make certain that neither land nor human resources are wasted in production of commodities for which there is weak demand whenever they can be diverted to production of other commodities of which we face a short supply.

We know from experience that periods of high purchasing power bring increasing consumer demand for meat, milk, and eggs. But, before we can provide the assurance of support that may be required to obtain adequate production of these perishable commodities, we need some better method of support than is now available.

We must certainly continue to search for better devices for supporting perishable food products than those which take food away from consumers and divert it to uneconomical and sometimes wasteful uses. Any waste or destruction of food is a useless drain upon our resources that will be less defendable now than ever before.

Adequate price assurance is not agriculture's only present concern.

While American agriculture is keenly aware of its increasing responsibilities during the present preparedness emergency, it is also aware of the necessity for keeping its eyes upon constructive long-range goals so as to remain strong and vigorous through whatever trials may be ahead.

Conservation and balanced farming are equally important in both peacetime and wartime. The emphasis on certain crops and certain

practices may shift, but essentially good farming is the only guaranty that farmers can maintain production not only for this year but also for next year and the years following.

We need still greater emphasis on conservation and sound land-use practices. It is not advisable for farmers to plow up land which can better or more safely be used as pasture. Nor should farmers endeavor to increase livestock production unless they have, or can reasonably expect to get, necessary feed supplies. Expansion of grasslands farming is needed both for the present and for agriculture's long-range future. We need more meat now. But we will need continued expansion of the livestock industry in the future. Grasslands farming helps produce meat and also preserves land resources.

In the past two decades, we have improved one-fourth of all our grasslands—but it is estimated that 90 percent of it needs further improvement.

The department and the land-grant colleges have jointly undertaken an extensive program toward that objective.

Also, we recognize that river basins are the natural subdivisions of our land and water resources, and that watersheds are the natural units in these river basins. In this we concur fully with the President's Water Resources Policy Commission. The successful development of land and water resources can be carried out only in the form of basin programs which deal with entire basins and which take into full account all relevant purposes to which these resources can profitably be put.

We recognize that not all that must be done eventually can be undertaken in these times. But, to the extent possible with the funds available, we hope to continue with the study necessary to bring about the development, utilization, and conservation of the resources of our great river basins. This work is carried out in cooperation with the agencies of the several States, as well as the Corps of Engineers, the Interior Department, and other Federal agencies.

As the President's Commission has so aptly concluded, none of our Nation's miracles of human achievement would have been possible without one key resource: water. Can we now risk letting the serious waste and exploitation of that basic resource go on unchecked?

It is our belief that whatever can be done must be done within the concept that land and water are inseparable. Indeed, the management, conservation, and use of our water resources are inextricably bound up with the management, conservation, and use of our land resources. The protection and improvement of both resources are essential to the future strength of our people.

Under present cirsumstances, we must make the best use of all the manpower we have. The low-income bracket in agriculture offers a reserve of labor resources that is now under-utilized. We cannot afford this waste of under-utilized manpower. The only way we can benefit by this manpower resource is through more productive employment.

It is most urgent, therefore, that we help farmers on the small-scale farms to utilize their labor more effectively—either on their own farms or by working on other farms, or in nonfarm employment.

Anything that we do in this period of scarce manpower to provide more productive opportunities for some of our low-income farmers in nonfarm vocations and improve the opportunity for the remainder to

farm more efficiently will not only be meeting necessary requirements of present emergency circumstances, but also serving our accepted long-range objective of a better level of income and living standards for this large segment of our agricultural population.

More efficient operation is essential to all farms in the period ahead, not just on small-scale farms. Continuation of the REA programs is essential to maintaining agriculture's efficiency. Adequate power available on the farm is as necessary to efficient farming operations as to industry because of what it can do to help in the production and preservation of many farm products and in the saving of labor.

There is also urgent need for continuing on a basis consistent with all pertinent factors, the rural telephone program upon which we have made a successful and long-needed start. In the light of present conditions, we have requested only the practicable minimum in funds for this purpose.

Less than half of the farms of this country have telephone service, and less than a fourth have anything like adequate service. The modern mechanized farm is in reality a rural factory, with the same need for rapid communications with its supply centers that the urban factory has.

If three-fourths of our urban factories producing defense needs were without telephones, one of the first orders of business would be to extend such service to them without delay. Food is a defense need. To do nothing to improve the present deplorable communications situation in rural areas would be extreme national shortsightedness.

The small amount of critical materials required would serve a far more useful purpose for defense or mobilization in providing communication service to farmers than if the same materials were devoted to extending urban service. The inadequacy of rural telephone service was a distinct handicap to efficient functioning of agriculture's production and marketing activities during World War II. When telephone service is not readily available, the search for scarce repair parts and supplies involves the expenditure of rubber and gasoline as well as time.

The marketing of farm products, and the safety of farm homes and families, gives rise to the great demand for farm telephone service in time of peace. The need is even more urgent during periods of manpower and material shortages. The possibility of enemy attack, the need for decentralizing, and the necessity for ready communication with all local communities makes improved telephone service a "must."

Many groups of farm people throughout the country look to REA telephone program, now in its second year of operation, as the only means of obtaining adequate telephone service. Unless the loan program is maintained on at least the modest basis requested, the value of what has been accomplished to date may be almost entirely lost.

Through all the pressures of mobilization and stepped-up production, we must safeguard the traditional family-farm principle as a valuable American institution. The family farm has always been the backbone of our democracy. Our family farm pattern is a world symbol of democracy on the land. It is America's answer to communism's false propaganda among the underprivileged rural peoples of other countries. We have only to look at other parts of the globe today to realize how communism has been abetted by deep unrest traceable primarily to insecure and inequitable land tenure.

Recently the department set in motion a review of all our programs and agencies to see if services to family farms is being maintained at maximum efficiency. This is a part of our continuing program review, and involves no additional cost.

We are fully aware at all times of the necessity for keeping our own house in order, from the standpoint of efficiency and economy in operations. In the light of present circumstances confronting our Nation, we know that this need is now more imperative than ever. But we know, too, that the costs of any Government operation must be balanced against an appraisal of the results obtained, and the need for those results. Good management calls for a maximum in program results, as well as a minimum in program costs.

We recognize that principle in the Department of Agriculture. Our continuing management improvement program and our systematic departmental reviews to determine the degree of efficiency and economy of department operations are designed to that end.

A good organization must not be static. Review and revision of department organization is a continuing job for the head of the department or agency. Also, the chairman of your subcommittee, Mr. Whitten, and others members of the committee, as well as other members of the Congress, have urged me to look into the need for reorganizing the department for purposes of achieving maximum efficiency and economy.

Early in 1949, the Under Secretary of Agriculture was assigned the responsibility of making a comprehensive review of department organization. Proposals are now under active consideration and we hope to discuss them with your committee before the conclusion of these hearings.

The budget estimates now before you do not include funds for the extraordinary activities required of the department under the defense Production and the Civil Defense Acts. In the current fiscal year, funds are being allocated to the department from the appropriation made to the President for the purpose of carrying out the provisions of the Defense Production Act.

It is assumed that funds for such purposes will be made available in some similar manner in 1952. Almost daily, the department is being called upon to assume additional duties and responsibilities growing out of defense mobilization.

To the extent possible, we intend to meet such additional work within available funds. Things are changing so rapidly however, that it is difficult now to forecast what our total job may be a few months ahead. Thus, some fund adjustments may be necessary as the defense program develops and specific needs become clearer.

Ralph Roberts and bureau and agency heads are prepared to discuss with you the details of the budget estimates and their effect on the various programs and activities of the department. I am sure they will cooperate in every possible way to facilitate this committee's review and consideration of the work we are doing.

Thank you, Mr. Chairman.

Mr. WHITTEN. Mr. Secretary, I would like to say that in the years I have sat on this committee I have never heard a better presentation from any Secretary and we have had some very able men precede you.

This is by far the finest report that I have heard of the place of agriculture in our economy and of the dependence that the Nation

must place on it. I want to congratulate you on the fine way in which you have handled this very big subject.

Secretary BRANNAN. Thank you.

Mr. WHITTEN. It looks as though we are in a period of higher taxes. We are certainly in a period where it is taking more to live, with the increasing cost of living, much of which has been improperly charged to the farmers through the press. Since most of us have fixed incomes, we will have to cut the pattern to the cloth.

While I want to commend everything you have said, we on the committee still are faced with the other side of the picture. With full recognition of all this, we of necessity will have to cut the pattern to the cloth. We hope that we can do that and still not adversely affect the very fine points that you have raised in this report.

PROBLEMS MADE BY EXPANSION OF FARM PRODUCTION FOR DEFENSE

I was glad to see you recognize something here which has always been uppermost in my mind. In the last war industry was called upon to expand its facilities. In the case of industry, however, they did it with orders for Government purchases. They had firm commitments to take the output. The Government supplied the funds with which to enlarge the establishments and factories, which they were allowed to mark off within a short period of time through depreciation.

I raise these matters, not to complain, because I realize that when you ask a man in the manufacturing business to expand his plant and to go into something new, you will have to show him that he can afford to do it. These things have been passed by the Congress and they have cost literally billions of dollars.

Now, with regard to the farmer you today are calling on him to produce to the utmost, to the maximum of his capacity. You are calling on him to use his capital, his plant, which is his farm, but he does not charge off depreciation for loss in fertility of soil. The only guaranty that we have in any field is the guarantee of a percentage of parity, never a guarantee of a profit. Nor do we guarantee to purchase the total amount of his production.

So, as you point out, we are not giving the farmer the same degree of protection that we give to industry. If we did, instead of asking for an increase in his production, which will go into the market under ordinary circumstances, we would have orders from the War Department, the Department of National Defense, to produce so much, for which he would be paid as you do for contracts with industry.

Now, I prefer this approach. But it does mean that you are going to the farmer and asking that he run down his plant by increased production, and you are going to ask that he endanger the selling price for his commodities by asking him within 1 year to jump cotton production from 9,000,000 to 16,000,000 bales. This certainly becomes unreasonable because it merely gives him a percentage of parity which is many dollars below the retail price of the commodity.

I notice that you give attention in your report to the fact that consideration must be given to the smaller farms. I am in full accord with that. Most foks that deal with farmers, and all of us on this committee come from rural areas, realize that attention should be given to making the farm life of the average small farmer more satisfactory; we should help him in every way we can to make himself

economically self-supporting. I have always supported those programs which are intended to do this.

However, I have at times been a little disturbed by recommendations that have come out of the Department which might lead us to believe that we can depend on the small farmer for our supply of food. In my judgment that is going too far because, if we depend on that it would be like expecting our automobiles to come from plants employing eight people, and food would be so high we could not buy it.

We are going to have to have production on an efficient basis to get it to the consumer at a reasonable price and, in many cases this means a pretty good sized farm. In connection with that we should give attention to seeing to it that the small farmer, although he can contribute little to the surplus that goes into the market place, should have a chance to become economically stable and sound and should have some of the things that go to the average family throughout the country.

I have listened to your report here and I think it is thoroughly sound in showing that agriculture must be looked to to provide the food and fiber for this war effort.

It is our work on this committee to try to keep down expenditures and we are very proud of the way that we have tried to do that. But I do say that even though we owe a $270,000,000,000 debt, and it is hard to figure out any basis on which it is going to be paid, although we are trying, we all realize that we must have a production plant and natural resources, and must see that the proper use is made of them and the proper protection given them.

We cannot pay the debt by letting the plant run down and the soil wash away. This is something that quite frequently is not appreciated by the consumer groups and others who are not familiar with agricultural problems.

I have always taken the view that the Nation has an interest in the fertility of the soil. We can look to Italy and Greece and all these countries that we are helping through the ECA and see that part of their present trouble is the result of letting the fertility of the soil go down. If you try to trace why we have a higher standard of living, you can attribute it to many things, but are you bound to list close to the top the wonderful natural resources that we have in this country.

I have heard it said frequently that no country in history has shown a better production record than the United States and no country has shown a worse record of depletion of its resources than this country from the early days of its settlement.

If the Nation has an interest in the fertility of the soil, to which we must look for food and fiber and to which our allies look for help, we must see that the farmer so handles that soil so as to protect it for us and for those who come after us.

There are two ways to see that he does it. One is by order of the Government and that has failed every time, and the other is through various agricultural programs, where we say to the farmer that if you will devote about $2 to restoring or maintaining this soil the Federal Government will pay about $1, or a third of that cost. That is not understood by many folks in this country. I hope some day that they will come to realize it and I hope that those who appreciate it will be able to help educate the rest of the Nation as to how dependent we are for food on this plan.

I notice here that you state you have established an Office of Requirements and Allocations to be responsible for integrating the demand for farm products. I hope that you will work with the Department of National Defense and the State Department to see if we cannot relieve some of the problems that we had during the last war.

For instance, I talked to one man who knew his subject. During the last war the Army placed an order for apple butter. This man was in that field and when he saw the order he looked into the matter. It seems that some colonel or general figured that they had so many men and they should eat so much apple butter on the average per week and he multiplied the number of weeks by the number of men. It was pointed out to me that the order was for more apple butter than the industry had produced in its whole history.

In the last war our commitments overseas to some of the ECA countries were equally short-sighted. Fertilizer was a very short commodity—and this is some criticism of the Department of Agriculture—and we committed a part of our production for overseas use. We were permitting the other countries to take 10 percent of a year's supply, their whole quota for a year, in a particular month. Frequently, it got to Europe at a time when they couldn't use it, but rather at a time when we needed it here. We had an awful time getting that corrected.

I finally put a rider on the appropriation bill which required a survey by the Department of Agriculture to ascertain that there were adequate supplies of fertilizers for use here before shipment could be made outside the country. In 3 days the Department of Agriculture reported that they had made a survey and that there were adequate supplies. It is not humanly possible to make such a survey in 3 days. The point I wish to make is that I hope you will function in such a way in the future as to see that the military and the defense are properly informed. They should pro rate their demands rather than to buy up large quantities, run up the price on the consumer and then keep the item in storage for many months before they use it.

If you could work out some basis for the National Defense Establishment to notify your Department and those that work with you in private industry as to what their needs will be and then requisition it as needed, there would be no necessity for buying a lot of apple butter on the east coast and then shipping it to the west coast. It could stay in the warehouses of private industry until needed and could be available to meet the consumer demands in all areas.

Much of our shortages in the last war were just through this lack of planning between the Department of Agriculture, private industry, and national defense. We can save the consumers and the taxpayers millions of dollars if attention is given to that.

Mr. Secretary, we could go on and on with regard to this matter, but I know you are busy and these other gentlemen would like to have a chance to direct some questions to you. I want to say that I personally, and I am sure I speak for the entire committee, appreciate the very able manner in which you presented this whole subject.

Loan Facilities Available to Farmers

Mr. Stigler. Mr. Chairman, I want to add my commendation to that of yours with reference to the statement of the Secretary, I consider it one of the most informative statements that I have ever had

the pleasure to read and I dare say it will go down in history as such.

Mr. Secretary, in your statement, I was attracted very much by one simple sentence, and that is when you said that "we need more meat now." I wonder if you ever considered creating a revolving fund for loans for those who want to engage in the livestock industry but cannot at this time do so because of the high price of cattle?

Secretary BRANNAN. Well, Mr. Stigler, as you know, there are two or three loan agencies now available to the farmer. The first being the commercial banks which cannot take the risk in many cases.

Mr. STIGLER. That is right.

Secretary BRANNAN. Farm Credit is in a somewhat comparable position. Farmers Home Administration, however, is so set up and you have so authorized it as to extend long-term credit to permit a leveling out of the obligation over a period of time.

I recognize the force of what you are saying. At $42 a hundred it is a very risky business for a new man to start in the cattle business, particularly if he does not know, as no one knows, what the situation is going to be at the end of this next year's operation.

Mr. STIGLER. Well, I know in my area I have had many folks, particularly GI's, complain to me that there is no way of getting started in livestock because they have no financial historical background, and, therefore, they cannot qualify in the present Government agencies, and neither can they go to the banks and yet they would like to get into the livestock business because right now it is quite profitable.

Secretary BRANNAN. May I raise one thought for consideration when you are discussing those kinds of problems with them?

Remember that immediately after the last war the poultry and egg business looked very, very attractive. A lot of veterans' loans were made for that purpose.

Mr. STIGLER. That is right.

Secretary BRANNAN. Just about a year ago, we were considerably worried about them, and they were in very precarious financial condition because they had gotten in at the peak. Then when it started to level off or taper down a little bit, they were in pretty bad shape because they had a very high capital investment.

Mr. STIGLER. Surely.

Secretary BRANNAN. That is the problem which these folks you are talking about see and are rightfully hesitant about. Unless there is some particular opportunity like you are searching for today made available to them, even though we need meat badly, I hope most of them will be cautious about getting in because they can get hurt.

Mr. STIGLER. You have heard, no doubt, about the freeze on raw cotton?

Secretary BRANNAN. Yes, sir.

Mr. STIGLER. I would like to have your reaction as to the effect on the farmer.

Secretary BRANNAN. Mr. Chairman, may I go off the record?

Mr. WHITTEN. Yes.

(Discussion off the record.)

Mr. STIGLER. That is all I have.

Mr. ANDERSEN. Mr. Secretary, I certainly join with the other gentlemen in commending you on the general tone of the report.

First of all, are you prepared to tell the committee what you have in mind on the reorganization of the Department? I note your reference on the last page of the report, but I personally hope that before any reorganization of importance is done it will be taken up with the legislative committee and thoroughly explained to the committee. I do not think we on this subcommittee should do anything appropriationwise with any radical change in the Department without your Department first receiving a clearance from the legislative committee.

Do you not agree with me on that?

Secretary BRANNAN. Yes, sir. Certainly we are going to discuss it with Congressman Cooley and the members of his committee. We are also going to discuss it with Senator Ellender and members of his committee.

I might say to you that the proposal which we have made and which we have reasonably well solidified with one or two exceptions can be accomplished without legislative authorization.

In other words, it can be done within our existing authority with one or two exceptions. One of those exceptions can be disposed of by this committee; it may involve appropriation language. The other one might require legislation.

Mr. ANDERSEN. That was about the way I had it sized up, and agree that you really do not have to obtain legislation for much of what you have in mind, but, nevertheless, if it does affect generally the important divisions of the Department, I know that I will feel personally much better about it if you do obtain clearance from the legislative committee before we here are called upon to revise our appropriations to take care of the suggestions.

Secretary BRANNAN. Yes, sir.

DISCUSSION OF FARM MANPOWER PROBLEMS

Mr. ANDERSEN. On the bottom of page 17 in your statement you touch very lightly on one of the most important problems in connection with agriculture today. You make this statement:

> We have established liaison with the Department of Labor on manpower problems, in the capacity of claimant for agriculture's necessary labor supply.

Now, what have you done, Mr. Secretary, in conjunction with selective service in carrying out that policy that you express in protecting the interests of the farmer as to the all-important labor supply? I personally think you are the gentleman that should be at the head of this movement in taking this up with selective service.

Yesterday on the House floor we had a discussion of much interest to Members on both sides. I suggested that we should try to establish a policy legislativewise so that the selective service would recognize that it must leave at least an able-bodied man on each and every family-sized farm in America. I think that was the general policy that was in being in the State of Iowa during World War II, and I understand, gentlemen, it worked out very well.

But I already hear of cases from back in my district in southwestern Minnesota where selective service is actually forcing men to sell out and go into the service without any consideration whatsoever as to who is going to continue operation of that farm. I think a Nation-

wide policy must be studied and established, and I do think, Mr. Secretary, that it is entirely within your province to contact and to discuss this very fully with Mr. Hershey.

Secretary BRANNAN. Mr. Congressman, may I say first that we have talked with General Hershey, and we have tried to make the agricultural manpower needs understood both by Mr. Wilson and the members of his Board. We have much yet to do, I am sure. The Under Secretary has talked to General Hershey on two occasions at least that I am aware of, and probably on other occasions, and has filed two statements over there with respect to the problem.

The first thing that was done in this regard, and was done because we recognized that manpower is going to be the No. 1 problem as the country moves into whatever type of emergency is developing, was to prepare a statement for Secretary Tobin and Mr. Harrison, who had come in right after Korea. We prepared a preliminary survey of manpower, fertilizer, insecticide, and machinery and machinery parts needs, and filed a seven- or eight-page document with them forthwith, the last paragraph of which said, in effect: these are our best judgments from here, but we are going to the field and will come back with a detailed statement.

We have now come back with detailed statements in support of all of those propositions and are continuing to try to do it.

I do not want to represent to you that all of the progress that we would like to make has been made. Responsibility generally for the manpower situation rests at several places. We have pursued it at all points, but especially at the point which you put your finger on, which is that of draft policy. And I might say that it seems to me that this kind of a statement that you made a while ago, as to an able-bodied man on every family-sized farm, is a good criterion.

Mr. ANDERSEN. Well, I think it is certainly justified. I remember, and you all remember how back in 1943 things began to get a little tough on farms through the Midwest because they had been stripping the farms of too much man power. And I well remember, and have said this before, the four nearest dairy herds to my farm were sold out. The manpower was no longer there to milk the cows. What I fear now is that we are in that very same cycle here today, without actually realizing it; to the extent that we should get into this problem and do something right now.

Mr. WHITTEN. Could I interject something there, Mr. Andersen?

Mr. ANDERSEN. Surely.

Mr. WHITTEN. It might be well for the Department to get its own house in order before it goes into that matter very far. I overlooked a while ago the point that a man should be able to make a call to the Agriculture Department at any time, if in time of manpower shortage, such a call was urgently needed. Well, if today a farmer had such a problem which required telephone communication with the Department of Agriculture, and it happened to be on a Saturday, such a phone call would not avail him of a thing in the world.

I wonder if attention should not be given by your Department to staggering your employees so as to keep your offices open on Saturdays, not only here but throughout the country? If I call the Department after 3:30 p. m. on Friday, it is 10:30 on Monday before I can get anything. I do not want to hold you responsible for this alone. It is a Government-wide problem. I have gone into it on the floor and otherwise trying to get something done about it.

But you cannot claim a proper use of manpower and have a 40-hour week, and you cannot claim that you are making services convenient to the farmer when you close up on Saturday, the one day he is in town. It would be better to close Monday.

I hope you will give attention to what can be done, within the framework of your authority, pending the time that the Government itself changes its policy, to see about that.

Secretary BRANNAN. Well, Mr. Chairman, may I say that in my office there is a stand-by crew on Saturdays up until 3 or 4 o'clock in the afternoon.

Mr. WHITTEN. My office in my district in Mississippi is in the Post Office Building, and the local agricultural agencies are right around it. Yet on Saturday I am the only person there. That is true all over the country.

Mr. HORAN. The 40-hour week has immensely increased the cost of running our Government, and I do not think it has made honest craftsmen any happier in their work.

Mr. WHITTEN. And the best information I get is from the employees themselves. A 40-hour workweek is fine in times of unemployment when you are trying to spread the work around, but certainly not in times like these. I am sure the Federal employees are willing to do whatever is needed in the present situation.

I am in accord with Mr. Andersen about the advantages of going into this manpower problem. But before you go into the matter with General Hershey, I think it would be well to look carefully into your own situation. If you are a little vulnerable, he may come back at you.

Mr. ANDERSEN. If you will excuse me, Mr. Chairman, I think in this proposition we are up against today, it seems clear to me that from the viewpoint of the farmer, telephone loans mean nothing and REA means nothing if that farmer is taken off of that farm to go into the service, with no replacement for him in sight.

Now, I think, gentlemen, this is really an issue that we who are interested in agriculture must fight for. As you say in your statement, Mr. Secretary, agriculture must be provided with sufficient labor. But who is taking away that labor today? Selective Service. And unless we watch ourselves, we cannot secure the production that we should have.

I am not pleading for any general exemption of farm workers. I do not think there should be such. But there should be enough in those farm factories to take care of the job that needs to be done. An 80-acre or 160-acre farm cannot do with just a seasonal importation of Mexican labor. We must have at least one man there who knows everything about that particular farm and available to milk those cows 14 times a week. You know that. All of us know it.

As to selective service, after all, the draft boards back in our county seats have no authority. They have to receive that authority from up above. They should be told right from here, from Washington, just what to do. They should be instructed to gage each and every man from the viewpoint of just how indispensable he is. And of course, if we here, interested in agriculture, do not get after Selective Service, or after the Congress to do something about it, who is going to do it?

Mr. HORAN. Mr. Chairman, I was called out by Marion Clawson of Public Lands. He wanted to discuss a new weed called halogeten,

a noxious weed. A pound and a half of it will kill sheep. And, of course, we have our wild lupin, the Klamath weed, and a lot of others. What will be the effect from the standpoint of the defense effort on what we have been doing as a peacetime measure on weed control?

Secretary BRANNAN. Well, Congressman Horan, halogeten is one of our tough problems among noxious weeds, poisonous weeds. It has been increasing and spreading.

Dr. Cardon will be prepared to discuss in detail the program for eradication or control which we are initiating. But you are quite right. It is a problem, an increasing problem this year. Much work must be done on it or else we are going to lose considerable numbers of sheep, because they do not seem to recognize it for its poisonous characteristics at certain stages of its growth.

Mr. HORAN. It is very similar to Russian thistle.

Secretary BRANNAN. It looks like the tumbleweed at certain stages of its growth.

Mr. HORAN. We will go into it. I am not too sure how that fits into the defense effort, Mr. Chairman. That is the reason I asked the question.

Dr. CARDON. I think we will get a statement on that later. Its first recognized break-out was in Nevada around Elko, and it has spread out over surrounding states to the point where it is serious over a wide part of the public range.

Mr. HORAN. We will go into it later, then.

Let me ask, Has this dried egg situation been discussed here today?

Secretary BRANNAN. Not today.

Mr. HORAN. Senator Magnuson of my State wrote you rather a long letter a week or 10 days ago as to matters that affect our wheat economy. I read the letter, and I wrote you a note urging you to read it.

Because my part of the Nation has a wheat economy unless we can keep our wheat economy going, it will affect a wide range of industries. Out of milling wheat we get a lot of our stock and poultry feed, and so forth. Our mills now are producing at a very reduced rate.

The letter was rather comprehensive, although too long. In that letter there was a complaint made that the Army was purchasing flour, but that in some cases they were not buying our flour; and I just wondered if you had any observations to make as to the policy of the United States Department of Agriculture as it relates to Army procurement. In my little note to you, I said that you certainly had gotten some headaches out of these dried eggs that have been in the paper very much, here, in the last 2 or 3 weeks.

I wondered what the policy of the Department of Agriculture would be with regard to procurement, and perhaps preferential treatment for domestic producers wherever it was practicable.

Secretary BRANNAN. Well, Mr. Congressman, we have been generally under the impression that that is pretty well covered by the statutes and particularly the "Buy American" provision. I would be surprised to learn that wheat was being bought, or finished flour, rather, from Canada or some place else by the Army. I am just not prepared to say that it is or is not, but I would suspect that under the law they would be buying American wheat and flour.

Mr. HORAN. I assume you will reply to the Senator's letter, because I am interested in that also, and I shall look forward to reading that

letter. Because that is a headache of ours. We have a wheat economy, and it is in bad shape right now.

Now, as to the eggs, I understand that they were dried, the ones you have in storage, according to the Department's own specifications, but when the Army comes along to buy them, they are not up to their specifications.

Secretary BRANNAN. That is exactly right, sir. First of all, remember that we bought the eggs and we dried them as the most efficient way of storing them; because there would not be warehouse space enough in the whole country to store the eggs, if they had been in fresh shell form. Yet our potential area of distribution was contemplated to be the United States, and the eggs that we have in storage are generally usable for distribution and consumption within the country. But the Army does not know where it is going to use those eggs. I mean, the Defense Administration may put them on board ship, may ship them into hot climates, may ship them into humid climates. They may have to last a long time under unfavorable weather conditions, heat, and so forth, and a higher quality of product in many commodities might be required. So there basically is no difference in our standards, if we were both shooting for the same objective as to use. But I just have to confess to you, facetiously, of course, that our folks did not know Korea was coming either when we were buying the eggs.

Mr. HORAN. Is that being corrected now?

Secretary BRANNAN. We are not buying any appreciable quantity of eggs, or drying them either. We have bought none since the first of the year. You see, we are no longer in the business. So the problem is the eggs we bought in 1950. There are probably not any stocks older than that.

Mr. TRIGG. We do not have any but the 1950's.

Mr. HORAN. The budget turned down an item that involves the wheat economy out in our area, on the basis that the findings had been had. Is that not right, Mr. Wells? Or are you familiar with that? Is that not the reason they turned it down, that the studies you had made had been completed?

Mr. WELLS. They turned down two proposed questionnaires, Mr. Horan, relating to the use of wheat by feed mixers and to a variety survey of wheat, on the ground that they did not find the carrying forward of that work necessary to the successful functioning of a defense economy. I would be glad to go into it with you in detail if you care to.

Mr HORAN. I want to; because our problem out there, as Mr. Trigg knows very well, is not solved. And, as I say, I will be happy to get your answer to Senator Magnuson's letter, Mr. Secretary, because I am interested in it as much as he is and perhaps more so.

On this farm labor matter, yesterday I directed a letter to you regarding the over-all manpower problem and the things that we can perhaps do to get nondomestic help. We can get them, of course, from Puerto Rico and from some of the British islands in the Caribbean, and we can get some from Canada under certain restrictions. We can get Mexican labor. We can get some from Hawaii as well as Puerto Ricans right away. They are citizens; and there is the possibility of some from the Philippines, as I understand it. Much of the program, however, will require legislation, and I wondered if Mr.

Overby had consulted with you regarding the meetings we have had already, looking forward to some work along that line.

Secretary BRANNAN. Yes. Mr. Congressman. May I ask: Did you go to Mexico City with the Ellender committee?

Mr. HORAN. No; only the chairmen of the subcommittees, as I understand it, who will handle that. I understand Senator Ellender and Mr. Poage, of Texas, went down there.

Secretary BRANNAN. We have prepared a great deal of material, all that we were asked for and all that we could think of, to supply to the committee before it went away. I have had one conversation with Senator Ellender about it since we came back. We are exploring some of the suggestions that occurred to him.

Mr. HORAN. Probably we may have a shortage of farm labor prior to the possibility of legislation and the setting up of the necessary recruiting machinery.

Do you know of anything that you can do to meet that problem now?

Secretary BRANNAN. Well, I must say to you that it seems to me our responsibility is to impress upon the people who actually have their hand on the lever which controls the labor supply the importance of the agricultural aspects of it. We cannot retain anybody in rural areas. We cannot send them away, or anything else. They will (1) go to the Armed Forces, through draft, or through enlistment. They will (2) go to factories, through being induced by attractive wages. And those two forces are the forces which will constantly work against us.

Mr. HORAN. And those are the two pressures that will force us also to go abroad some place for farm labor.

Secretary BRANNAN. That is right.

Mr. HORAN. Now, I understand that we can get a limited supply of labor today almost overnight from Puerto Rico and Hawaii. Is that not right? Where they are subject to coming to the United States anyhow?

Secretary BRANNAN. Well, sir, it is my impression that there is still unused labor that can be attracted into the country from those two areas. It is not going to be as free and fluid as it was last time, because, as you well know, Puerto Rico has established considerable industrialization on the island. But they still have a surplus, I am sure.

Mr. HORAN. It is a vital thing, Mr. Chairman, especially in the northern tier of States. We do not get the drifts of transient farm labor that they do in the Southern States, where they are nearer these sources of supply. It is something of vital concern to us, and I understand that there is a possibility at least of legislation. I certainly hope that there will be legislation, because we will have to meet it.

Where will those appropriations come from, for the necessary activities, or expenditures? That will be in the Department of Labor, will it not?

Secretary BRANNAN. Or the President's fund. We worked from the President's fund in the last war.

Mr. ROBERTS. Just to get it started, until an appropriation was made.

Mr. HORAN. I understand there was authorization for the farm-labor program in World War II that was provided in an appropriation bill.

Mr. ROBERTS. Yes; and then later the authority of the Department of Labor for recruitment and placement of farm labor was implemented by appropriations. This had the effect of transferring the program back to the Labor Department.

Mr. HORAN. We are going to have a very serious situation, Mr. Chairman. Last year, you will recall, I think, that the House Committee on Agriculture did hold hearings on farm labor in April or May or June. It was early in the season. They requested me to sit in, and I did sit in. And at that time the United States Employment Service came before the committee and said, "We can handle anything that is going to happen." Then Korea came, and I tried to get my own State of Washington interested in it, and they said, "No, we can handle it." But in October we had to call in the Army to pick the apples in our area, and I understand they had to get outside help of one type or another, close schools, and so forth, throughout the areas where knee or stoop labor is necessary. So if it happened last fall, it is pretty apt to be a problem that we will have to meet either intelligently or head-on in this coming period.

Mr. WHITTEN. The legislative committee has set up another program for that purpose.

Mr. HORAN. That happened today, then.

Mr. WHITTEN. That is what I was told from the office, although they might have said, "We are in the process of developing such a program."

Mr. HORAN. I am quite sure they will, because Mr. Poage of Texas, I understand, will be the chairman of it, and a very able one. But it is a vital thing in our area and in quite a number of other places.

TRANSPORTATION PROBLEMS

Mr. ANDERSEN. I have one other problem, Mr. Chairman, before the Secretary finishes. Mr. Trigg probably can tell me the answer to this, Mr. Secretary.

We are having quite a lot of difficulty back in our section on boxcars. The thing is really becoming serious. I heard just yesterday that 800 elevators through Iowa, Minnesota, and the Dakotas were closed, blocked. I introduced legislation yesterday in the House which would give the Interstate Commerce Commission the right to take over the setting of the rental price on boxcars, which now they do not have.

As you know, when boxcars leave the Northern Pacific or Great Northern or Milwaukee to go into the eastern part of the United States, the eastern railroads pay only $1.75 a day for them, and naturally they hang on to these cars, and sometimes 30 percent or more of our rolling stock in consequence is missing. Now, I am trying to do something toward curing the basic cause of this problem. It applies to your area, too, Mr. Horan, because you will load boxcars with lumber and ship them east and they will not come back as rapidly as they should for reloading.

I am wondering what can be done about that. With all the grain that is going to have to move within the next month, I think Mr.

Trigg will agree with me that it is quite a serious proposition. I hope the Department can be of some assistance on that problem.

Secretary BRANNAN. I am sure Mr. Trigg would like to comment about that. I would just like to comment that the steel industry could have helped us more on this than anybody else.

Mr. ANDERSEN. By making the steel available?

Secretary BRANNAN. Yes.

Mr. ANDERSEN. Of course, that is really the cure, to force the eastern railroads to construct more boxcars.

Secretary BRANNAN. That is right, and they were being urged to do so long before Korea.

Mr. STIGLER. Is it not cheaper to rent cars?

Mr. ANDERSEN. Certainly it is.

Mr. STIGLER. Is that not the answer?

Mr. ANDERSEN. And that is why I am asking in that legislation to give the Interstate Commerce Commission the right to boost that rate up to the point that will force these companies to do one of two things: either release the foreign cars and send them back to their home lines, or otherwise get busy and construct some of their own boxcars. But we, all through the West and Midwest and your area, Mr. Stigler, suffer.

Mr. STIGLER. No question about it.

Mr. ANDERSEN. Because those units go out of our territory and do not come back in for other long hauls.

Secretary BRANNAN. The point I was making, nevertheless, is this: that even if we had the most perfect and ideal distribution of the available boxcars in this country, we still would have a shortage of boxcars to do the job that has to be done.

Mr. ANDERSEN. That is correct.

Mr. HORAN. We do not have half enough.

Secretary BRANNAN. That is right.

Mr. ANDERSEN. But the thing I am driving at is that I hope we can do something to make this situation a little less oppressive.

Mr. HORAN. Mr. Trigg, you have been working with the car service division of the Association of American Railroads on this, have you?

Mr. TRIGG. Yes; we have, Mr. Horan. We have been working with them, with Mr. Knutson, of Defense Transportation, and everybody in town.

Mr. HORAN. It is my understanding that until the switchmen's strike came along, they were clearing a thousand or twelve hundred a day through the Chicago gateway. Is that not true?

Mr. TRIGG. I think that is about right, yes.

Mr. HORAN. And they were also speeding up the loading of ships at terminal points to relieve the elevators there.

Mr. TRIGG. Of course, this whole problem of movement of grain is really a serious one with us, not only with the inland transportation but with the ports and port facilities. It is not an easy thing, and it is not going to get better.

The real answer, of course, is that we should have started about 2 or 3 years ago to construct more boxcars. But it is hard to get the railroads to add more to their rolling stock under the present circumstances.

Mr. ANDERSEN. You have in the Department certain gentlemen who are interested in doing something toward helping out on these specific problems.

Mr. TRIGG. We have a whole group of them.

Mr. ANDERSEN. I know we have had assistance from them. But I am wondering what we can do to help still further.

Mr. TRIGG. I think your plan, or your thoughts, along the line of getting these cars returned as soon as possible, is one way of helping. I do not know just what the Interstate Commerce Commission regulations are, or its authority, or how far it goes in that direction.

Mr. ANDERSEN. They do not have any authority today to do so.

Mr. TRIGG. Then if they do not have it, they ought to have something to regulate this movement, whereby you could get maximum efficiency out of your cars. There is no reason why any cars should run clear across the country or halfway across the country empty. There is no reason why they should set idle for days on end. Any of those little things certainly could help; if we just could get utilization to the maximum of our present stocks it will certainly facilitate things a great deal.

Mr. ANDERSEN. And, by the way, Mr. Trigg, you will have a lot of grain to move this spring, will you not?

Mr. TRIGG. Oh, yes. And it is moving now, as a matter of fact. We are moving a lot of it now. A lot of it is going into export. There is a big movement of grain the year round, but, of course, when the new crop comes in naturally the pressure is really on then for the boxcars.

FARM PRICES IN PRESENT PRICE-CONTROL PICTURE

Secretary BRANNAN. Mr. Chairman, I would just like to say that this morning we sent to various people on the Hill concerned with agricultural legislation and to the membership of this committee a statement of farm prices in the present price-control picture. There has been a great deal of talk in the newspapers recently attempting to create, and unfortunately creating, the impression that the farmer is getting unnecessarily or unduly enriched out of the present situation, that his prices are disproportionately high to the prices of many other commodities, and that the consumer is being prejudiced by farmers' present price structure and especially by that provision of the Defense Production Act which says that there can be no ceiling placed upon agricultural commodities until the price reaches parity, according to a long-established formula.

We think that that has been a very unfortunate impression to get around, and we have attempted to answer it. Now, I do not know that this will be a complete answer accepted by everybody, but at least we thought somebody ought to start answering it, that it was our obligation.

So you will receive our statement, because I have already signed letters to you. But we did bring some extra copies here now, and I would like you to have them, because it will be in the papers soon. There is a handful of them here which we would like to leave with you.

Mr. STIGLER. Mr. Secretary, I am quite willing to make such a statement, because I know yesterday or the day before in one of the

local newspapers there was an editorial along the same line. It caused me some apprehension, because some of it is misrepresentation of fact.

Mr. ANDERSEN. You will recall, Mr. Chairman, that about a week ago I inserted in the Congressional Record a statement by Mr. Al Stedman of the St. Paul Pioneer Press on this very same thing, in an effort to help break down in the minds of the people, that is, from my viewpoint, the all-too-prevalent idea that the farmer should be the goat today. Can your remarks be shaped up so that we could put it into the Congressional Record?

Secretary BRANNAN. Well, sir, I would have only one comment to make on that. We hope that it will go in the Record.

There is a great to-do being made right now about the fact that if all farm commodities moved to parity the cost of living would advance 2 percent and food would advance 5 percent. Well, that is theoretically true. But there are a number of important items in that calculation which there is no reason to believe will advance to parity any time soon. One very outstanding example is that by no stretch of the imagination can the farm price of vegetables which are now in cans advance to the producer. Another example, potatoes are not at all likely to jump to the parity level.

Mr. STIGLER. But they do not get that information. The information I have read not only in the local papers but in other places has caused apprehension on my part. I am gathering information and statistics now and expect to make a speech on the floor next week in connection with it, because I think it is so unfair to our farmers.

Mr. ANDERSEN. I agree with you, Mr. Stigler, and I think we should do everything that we possibly can to offset that sort of propaganda that is put out, because it is very unfair.

When do you intend to make your speech on the floor, Mr. Stigler?

Mr. STIGLER. I hope by Monday or Tuesday; if not then as soon as possible.

Mr. ANDERSEN. Why do you not, then, at that time, incorporate the facts here.

Mr. STIGLER. I shall be more than glad to. If there is no further business, the committee will stand adjourned.

THE BUDGET FOR THE DEPARTMENT OF AGRICULTURE

WITNESSES

RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER
T. ROY REID, DIRECTOR OF PERSONNEL

Mr. WHITTEN. We will now hear from Mr. Roberts, the budget officer.

We want to say we appreciate the things you have done in the past. We are very pleased with them. We are glad to have you report to us at this time. I might say that we have always had your cooperation in locating any information we have needed. We will be glad to hear from you, Mr. Roberts.

Mr. ROBERTS. Thank you, Mr. Chairman, for those kind words. I hope they are deserved. As far as I am concerned in the Department of Agriculture, and as far as my office is concerned, I want to be sure this committee feels at all times that it has the confidence it

should have in our staff down there, and that you feel that when you get something from my office it can be relied upon.

If any situations develop that cause you to wonder, or feel otherwise, I hope you will speak to me about it, because we want to be of service to this committee and provide you with every bit of detail, every bit of information, that you need and to which you are entitled in reviewing the budget.

We have enjoyed working with this committee over the past years. We feel the membership of the committee knows agriculture. They have the interest of agriculture at heart. We appreciate that very much.

I am sure we are going to enjoy working with you, Mr. Bates, just as we have enjoyed working with the other members of the committee. I hope you will feel free to call upon our office at any time for any information regarding the budget or programs of the Department of Agriculture.

Mr. Chairman, I thought it might be helpful before consideration of the 1952 estimates if we took a few minutes this morning to review in summary with you the budget for the Department of Agriculture.

I have prepared a brief statement on it. We might go over that together, if it is the desire of the committee. Then we have a couple of charts we would like to show you, which I believe will help you to get an over-all understanding of the budget as it is proposed for 1952. We also have our usual tables for introduction into the record.

The 1952 Budget

The 1952 budget for the Department of Agriculture proposes appropriations, and borrowing authorization for REA and FHA loans, totaling $1,252,423,000, as compared to $1,458,066,000 made available in the Agriculture chapter of the General Appropriation Act, 1951. This is a net decrease of $205,643,000.

We have prepared our budget tables and justification notes, however, to make comparisons of 1952 budget estimates with the net amounts available in 1951 after applying reductions totaling $150,000,000 which were made in this year's funds pursuant to section 1214 of the 1951 Appropriation Act.

On this net available basis, the 1952 budget estimates propose a reduction of $55,776,000 below net funds available in 1951. Also significant to an understanding of the total situation is the fact that the 1952 estimates include 109.5 million dollars for prior year activity to reimburse the Commodity Credit Corporation for advances to finance, through June 30, 1950, operations under the international wheat agreement and the foot-and-mouth disease program in Mexico.

As you members know, the act authorizing the international wheat agreement provided that funds to carry out the provisions of that agreement should be advanced by the Commodity Credit Corporation, and that when the cost of the operation became known at the end of each year, provision would be made to reimburse the Corporation.

In connection with the foot-and-mouth disease program, the agriculture appropriation act for a number of years has carried authority for advancing funds for that operation. The increase is to reimburse the Commodity Credit Corporation for advances made on that pro-

gram through June 30, for which appropriations have not heretofore been made.

Thus, the over-all totals for the Department may be summarized as shown in the following table:

[In millions]

	Fiscal year 1951			Budget estimates, 1952	Increase (+) or decrease (−) compared with ch. VI, 1951	Increase (+) or decrease (−) compared with net available, 1951
	Amounts provided in ch. VI	Reductions under sec. 1214	Net available			
Appropriations for current year activity	$903.6	$39.9	$863.7	$880.9	−$22.7	+$17.2
Borrowing authorization for REA and FHA	554.5	110.0	444.5	262.0	−292.5	−182.5
Subtotal	1,458.1	149.9	1,308.2	1,142.9	−315.2	−165.3
To reimburse Commodity Credit Corporation:						
International wheat agreement (1950 costs)				76.8	+76.8	+76.8
Foot-and-mouth disease program (1950 costs)				32.7	+32.7	+32.7
Total	1,458.1	149.9	1,308.2	1,252.4	−205.7	−55.8

If we take the amounts in fiscal year 1951 that were provided in the agriculture chapter of the Appropriation Act, we have for the current year activity, 903.6 million dollars in appropriations, and 554.5 million dollars in borrowing authorizations. Reductions were made under section 1214 of the act, totaling nearly 40 million dollars against appropriations, and 110 million dollars against borrowing authorizations, leaving a net available in appropriations of 863.7 million dollars, and available in borrowing authorizations, 444.5 million dollars.

Mr. ANDERSEN. Off the record.

(Discussion off the record.)

Mr. ROBERTS. $26,000,000 of the $40,000,000 reduction under section 1214 was against conservation and use of agricultural land resources; 6.5 million dollars was against acreage allotments and marketing quotas; 4.2 million dollars was against flood control; and 3.3 million dollars was distributed against a good many of the items in the act. I would be glad to go into that in detail if your care to, later on.

So, if we compare the budget estimates for 1952 for appropriations for current activities in 1952 with net appropriations available in 1951—880.9 million dollars compared with 863.7 million dollars net available after making section 1214 reductions—there is an increase of 17.2 million dollars.

Because we have nothing comparable to it in 1951 budget figures, we have chosen to show separately a total of 109.5 million dollars of appropriations to cover prior-year activities under the international wheat agreement (76.8 million dollars) and the foot-and-mouth disease eradication program in Mexico (32.7 million dollars).

Mr. Whitten. Off the record.

(Discussion off the record.)

Mr. ROBERTS. After making the section 1214 reduction of 110 million dollars in borrowing authorizations, we have borrowing

authorizations of 444.5 million dollars in 1951 compared with 262 million dollars proposed for 1952—a net decrease of 182.5 million dollars.

Changes of a substantial nature in the 1952 estimates for the Department of Agriculture are relatively few in number. I shall mention only the principal ones at this time, relying on our regular series of tables and the explanatory notes for the details necessary to the conduct of the hearings by your committee.

Agricultural Conservation Program

The 1951 Appropriation Act carries an advance authorization of $285,000,000 for the 1951 crop year agricultural conservation program, for which the 1952 budget makes provision. This involves an increase of 28.5 million dollars above the net appropriation for 1951. However, the increase in terms of total funds available for the program is only $2,750,000, in view of net borrowings from CCC in the amount of $25,750,000, pursuant to section 391 (c) of the Agricultural Adjustment Act of 1938. The budget also proposes an authorization for the formulation of a $285,000,000 program for the crop year 1952, for which an appropriation would be made in the fiscal year 1953.

The increase of 28.5 million dollars is also involved in the reductions under section 1214. I have a table, if you want to get into the effects of this adjustment. It did not change the program.

Sugar Program

The 1952 budget carries 73.3 million dollars for conditional payments to sugar growers under the Sugar Act of 1948. This is an increase of 9.5 million dollars to complete payments on a 1950 sugar crop of 4.8 million tons for which insufficient funds were provided in the 1951 Appropriation Act, and to meet payments on the 1951 crop estimated at 4.4 million tons.

As you folks know, payments under the Sugar Act are made at rates provided in the substantive legislation. The amount of appropriation is governed primarily by the size of the crop produced.

Our estimates, presented in the 1951 budget, of production, were lower than the actual 1950 crop. So, a little over 7 million of the 9½ million dollars is to meet payments which result from the very large production in 1950.

Acreage Allotments and Marketing Quotas

The 1951 appropriation act carried 32.3 million dollars for acreage allotments and marketing quotas, 4 million dollars of which was to be used only if quotas were required on the 1951 crops of corn, wheat, and rice. However, when it became known that quotas would not be needed on these crops, or on cotton, a total of 6.5 million dollars was placed in reserve, leaving 25.8 million dollars available for the current fiscal year. The budget estimate for 1952 reduces this item by 1.8 million dollars, to a total of 24 million dollars, principally in recognition of the fact that there will be no acreage allotments on the 1951 cotton crop.

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I would like to say here that, since this budget was formulated, acreage allotments have been lifted on the 1951 crops of corn, wheat, and rice. Accordingly, we are now in the midst of a reexamination of the financial requirements for this activity, and expect to be able to advise the committee soon on adjustments to be made in the estimates for this appropriation.

Surplus Agricultural Commodities

Due to an increase in customs receipts during the calendar year 1950, the permanent appropriation for removal of surplus agricultural commodities is estimated at 150 million dollars, compared with 111.2 million dollars for 1951. The budget proposes that 76.8 million dollars of these funds be made available to repay the Commodity Credit Corporation for costs during the fiscal year 1950, under the International Wheat Agreement.

This will leave 73.2 million dollars of the 1952 appropriation available for section 32 purposes. In addition, 51.4 million dollars will be carried forward from prior-year balances, as authorized by the Agricultural Act of 1948, making a total of 124.6 million dollars available in 1952. Of this amount, 86 million dollars is tentatively budgeted for use in 1952, resulting in an anticipated carry-over into 1953 of 38.6 million dollars.

Commodity Credit Corporation

There is pending before Congress a proposal that the 1951 administrative-expense limitation of the Commodity Credit Corporation be increased by $3,850,000, increasing to 20.2 million dollars the amount of Corporation funds that may be used for administrative expenses during the current fiscal year.

The budget proposes a similar amount for 1952, recognizing that many unpredictable factors such as weather conditions, volume of agricultural production in this country and abroad, mobilization needs, and economic conditions generally may result in changes in administrative requirements as the fiscal year progresses.

The budget also proposes language to restore capital impairment of the Commodity Credit Corporation as of June 30, 1950, estimated at 427 million dollars. This is a much more realistic figure than the one which was before the committee at this time last year. The Corporation's books show a deficit of 798 million dollars as of June 30, 1950. In estimating its losses, the Corporation takes into account the estimated loss on ultimate disposition of the assets in its inventory, and gives consideration to prospective sales outlets, the effect of production and price-support levels on market prices, and the costs of carrying the assets in arriving at their estimated value. That is the basis for the 798 million dollars.

On the other hand, the Treasury's appraisal of the Corporation's assets and liabilities as of June 30, 1950, is based on the provision of the act of March 8, 1938, which defines asset values for appraisal purposes as the cost of such assets or the average market price for the month of June, whichever is lower.

While the actual amount of the restoration of capital will depend on the amount of the capital impairment established by the Secretary

of the Treasury, the estimate of $427,000,000 is based on the valuation principles used by the Treasury Appraisal Committee, and should be fairly close to the findings of the Appraisal Committee when its report is released.

Mr. WHITTEN. The figures since June 30, 1950, have changed considerably. The Commodity Credit Corporation, having on hand commodities which have gone up in price and value, is in a much better position than these figures would indicate, as of today.

On the other hand, I would like to point out a situation which is frequently not understood. The Commodity Credit Corporation could make a considerable profit if it held many commodities and took advantage of all price rises.

Quite frequently, however, the Corporation moves into the market the surpluses it has, in an effort to stabilize the price for the benefit of the consumer. I can point out several commodities where this has been done. The growers of those commodities would frequently prefer they be kept off the market so the price would go higher. But the Commodity Credit Corporation, to keep the price from going out of bounds, has moved commodities into the market at a lower price than could have been gotten by waiting.

Mr. HORAN. When we get Mr. Trigg before us, I presume he will have a complete profit-and-loss statement at the nearest date to our hearings; will he not?

Mr. ROBERTS. Yes; he will, Mr. Horan.

Mr. HORAN. We can go over that in detail then. Will you advise him we will probably ask a lot of questions?

Mr. ROBERTS. I will be glad to. He can give you figures as of December 31, 1950.

Mr. WHITTEN. At this point, I would like for you to tell the committee what changes have taken place since last June 30, if you have any information along that line.

Mr. ROBERTS. As to operations through June 30, the net realized loss for the fiscal year 1950 was $294,000,000. As of June 30 valuation reserve adjustments made in accordance with the formula which I have just stated added over $333,000,000 to the deficit for the year. When the Treasury Appraisal Committee makes an appraisal of the assets at cost, or at market value, as of June 30, it takes into consideration the actual value of the inventories at June 30, and in effect adjusts the valuation reserves accordingly. That has the effect of reducing by about $310,000,000 the deficit reflected in the Corporation's books and, together with other adjustments, results in a capital impairment of four-hundred-and-twenty-seven-odd million dollars.

Mr. WHITTEN. I would like to point out again, Mr. Roberts, that had the Commodity Credit Corporation not moved those commodities into the market in an effort to hold the price level for the benefit of the consumer, but had held them for maximum prices, as would other individuals and private buyers, it likely would have been able to offset practically all of this so-called deficit.

It goes to the benefit of the consumers, rather than to the credit of the Commodity Credit Corporation on its books in many instances.

Mr. ROBERTS. The benefit is to the consuming public.

Mr. BATES. Is that contemplated by the act?

Mr. ROBERTS. It is contemplated that the Commodity Credit Corporation inventories will be used to maintain the market at an appropriate level.

Mr. HORAN. I think it is assumed that the Commodity Credit Corporation exists to hold the farmers' income at parity or above.

Mr. WHITTEN. I think the prime objective of all this is to stabilize prices. And this means just not to hold prices up but to keep them from getting out of line. Certainly it should not hold commodities and let prices go out of sight, and let the consumer go without. It should move in to help stabilize prices.

Mr. HORAN. We will go into that fully with Mr. Trigg. I am one of those who criticizes the Commodity Credit Corporation, or the Government, because it is not a sales agency holding things when it should be selling them. We hold up our hands in holy horror of the storage. At the same time, we had better understand that and try to be fair about it.

Mr. ROBERTS. We would be glad to have Mr. Trigg give you a complete report on inventories. They have changed substantially in the last 6 months.

I think it would be well to let the record show at this time—this is a point Mr. Andersen has been very interested in, I know, in past years—that through the entire life of the Corporation, 1938 through June 30, 1949, actual surplus returned to the Treasury exceeded capital impairment for which appropriations were made or notes canceled, by a total of $137,000,000.

Mr. HORAN. Does that include the subsidies also?

Mr. ROBERTS. Excluding the consumer subsidies.

Mr. WHITTEN. I think it would be well to point out my local interest a little bit. I would say some of that was from cotton.

Mr. ROBERTS. That is right. If you take operations through June 30, 1950, and assume that notes will be canceled this year for the capital impairment of, roughly 427 million dollars, it means that net losses for the 12 years, the life of the organization, are 289 million dollars.

Mr. ANDERSON. Of course, you do not charge against the Corporation the 500-million-dollar fund for turnover after World War II; do you?

Mr. ROBERTS. No, sir.

Mr. ANDERSON. At the very most, they could say then the Corporation had lost seven-hundred-some-odd-million dollars over that period of years?

Mr. ROBERTS. Yes. But I would prefer the 500-million-dollar figure not be charged to the Corporation particularly.

Mr. ANDERSEN. I thought, out of fariness, we should, I think that should be part of the picture.

Mr. ROBERTS. It is part of the picture of the adjustments in the agricultural productive machine, Mr. Andersen. But I think the 500 million dollars was considered to be rather outside the operations of the Commodity Credit Corporation, as such.

I agree with your statement that it is certainly part of the total picture.

Mr. ANDERSEN. Even so, it is a mighty good picture when you figure the program has done so much for the Nation.

Mr. WHITTEN. The fund you mentioned, Mr. Andersen, quite clearly is comparable to the billions and billions of dollars that were set aside for the expansion of industry during the last war. It is very small indeed when compared to what was done for industry.

Last year, in presenting this appropriation bill to the House, I made the statement that the Commodity Credit Corporation and the commodities they have on hand could be a great help to the Nation and a blessing in time of war. We have moved into a period when that is clearly borne out; have we not?

Mr. ROBERTS. There is no question about that, Mr. Chairman.

FARMERS HOME ADMINISTRATION

Now to proceed with my summary. Borrowing authorizations for loan programs administered by the Farmers Home Administration are proposed to be increased by a net 5.5 million dollars. Farm-ownership and farm-housing loans are carried as a combined item in the 1952 budget, continuing the same pattern established by this committee last year.

The amount proposed for these loans, 38 million dollars, is a reduction of 2.5 million dollars below the borrowing authorization in 1951. On a funds-available basis, there is a reduction of 9.6 million dollars due to the availability in 1951 of 7.1 million dollars of prior-year balances for farm-housing loans. Those are the only balances that carry over year from year in substantive legislation.

Production and subsistence loans are estimated at 110 million dollars, a net increase of 7 million dollars resulting from an increase of 25 million dollars for additional production loans, and a decrease of the 18 million dollars provided in the 1951 Supplemental Appropriation Act for loans to farmers suffering disaster in areas designated under Public Law 38, Eighty-first Congress. Water-facilities loans are proposed to be increased by 1 million dollars. The administrative expense appropriation for FHA carries an increase of 1.8 million dollars to administer an estimated additional 17,200 loans, including insured mortgages which are expected to increase in number from 4,500 to 7,500 in 1952.

RURAL ELECTRIFICATION ADMINISTRATION

The new borrowing authorization for Rural Electrification loans is estimated at 100 million dollars. However, loan funds carried over from 1951 will permit a total program of 220 million dollars, compared with a 300-million-dollar loan program this year. Rural telephone loan funds are carried in the budget at 9 million dollars. Together with carry-over funds, this will permit a loan program of 14 million dollars compared with an estimated 30-million-dollar program in 1951.

FOREST SERVICE

The appropriation for forest-development roads and trails is estimated at 17.5 million dollars, an increase of 7 million dollars above 1951 for additional access roads to timber stands. This will provide a total of 9.1 million dollars for new road construction in 1952. Other increases for the Forest Service, totaling 2.7 million dollars, are primarily for administering an enlarged timber-sales business and for strengthening fire protection on the national forests.

Flood Control

The budget includes an estimate of 8.9 million dollars for flood-control work, compared with a net appropriation of 6.1 million dollars in 1951, an increase of 2.8 million dollars. However, due to the availability of prior-year balances of 3.1 million dollars in 1951, there will be a decrease of about $300,000 in total funds available in 1952.

Included in the flood-control estimate is an item of $250,000 to enable the Department of Agriculture to participate with the Army engineers, the Interior Department, and other Federal and State agencies in surveys and other planning work for resource-development programs in the Arkansas White-Red River and New England-New York areas.

Federal Crop Insurance

Federal Crop Insurance Corporation funds are increased 1.1 million dollars to service in 1952, insurance contracts in the 253 new counties brought into the program in 1951. The budget provides for no expansion of the program to new areas in 1952.

Increases are included for mandatory classing of cotton for producer members of cotton quality-improvement groups under the Smith-Doxey Act, and for enforcement of the Grain Standards Act, the Federal Seed Act, and the Insecticide Act. Marketing research and service under title II of the Research and Marketing Act is reduced by $432,000.

Estimates for the Soil Conservation Service, the agencies of the Agricultural Research Administration, and the several staff offices of the Department are held generally at the 1951 level, exclusive of nonrecurring items, except for a limited number of urgent increases deemed essential to the Department's current responsibilities, such as research on strategic and critical materials, meat inspection, and plant and animal disease and insect-pest quarantines, inspection, and control.

Changes in Appropriation Structure

Nearly every budget in recent years has included some proposals for consolidation of related appropriation items or for otherwise improving the appropriation structure. This year, after consultation with the committee staff and the Budget Bureau, we are suggesting a number of changes which it is believed will simplify the budget process all along the line.

While approval of these proposals will in no way affect the scope or volume of the work being conducted, the structure of the bill would be simplified, and the budgetary review of related fields of work, operational planning, administrative and accounting work, would be facilitated.

Ten years ago the Department of Agriculture appropriation bill carried 146 appropriation and subappropriation items. Over the years these have been gradually reduced to the 73 we have in 1951. The proposals for 1952 will result in a further reduction to 53 items.

Closely related to this effort we have made a complete review of the project or activity structure shown in the budget in order that the activities would be as informative as possible of the work being performed under each appropriation, while at the same time improv-

ing the accounting support for the figures shown for the various activities. This is in keeping with the statement in the Report of the House Committee on Appropriations a year ago, and our efforts were encouraged and constructively aided by your committee staff. Before closing, I want to take this opportunity to express appreciation for that assistance.

Also, in the project statements of the justification notes, we have this year preserved all of the detail which has been shown in previous years, even though these mergers and consolidations have taken place. Thus, the committee members will have available to them the same detail you have had previously. Whether you will want to continue that in future years can be determined after you have had experience with it this year.

To give you an idea of what I have in mind, if you would like to take a look at pages 131 and 132 of volume 1, under "Animal industry," I think I can explain it more clearly to you. In the Bureau of Animal Industry we have pulled together several appropriations available for animal research—the "Animal disease" item and the "Animal husbandry" item, for example—into a single "Animal research" subappropriation under the appropriation "Salaries and expenses, Bureau of Animal Industry."

Then, to preserve the detail that you have had heretofore, we have listed the same projects you folks are used to seeing from year to year, such as "Swine husbandry investigation," "Sheep and goat husbandry investigations," and so forth. Those details which are included in the project "Animal husbandry" are shown in parentheses.

Under the normal project presentation, you would ordinarily see only the figures opposite the project "Animal husbandry", the figures shown without parentheses. But, to preserve for you these additional details we have included them in the table, and put them in this parenthesis to indicate they are merely a part of the total shown above. We have done that all the way through on these changes.

Detail of Personal Services

Mr. Horan. Mr. Chairman, there has been criticism of a failure to list the personnel included in these estimates. There used to be in the committee print a supplement. Will that be provided to us this year?

Mr. Roberts. You have it, Mr. Horan. It is in a supplement to the budget document. All the detail that was heretofore referred to as "green sheets" is included.

Last year, you will remember, the committee asked that we furnish those details for committee use. This year the Budget Bureau has taken that detail and printed it in a supplement to the budget document.

Mr. Andersen. Is a separate copy available to each member of the subcommittee? I will want one personally. You will want one, too; will you not, Mr. Horan?

Mr. Horan. Yes.

Mr. Whitten. I think it will be well for all of us to have one, since one thing we are concerned about is the number of personnel.

Summary Charts

Mr. Roberts. Mr. Chairman, I have two or three charts, if you would like to take the time to look at them. I think they will be helpful in getting a clear understanding of the make-up of the Agriculture budget.

This first chart, Mr. Chairman, attempts to break down into four categories the funds proposed for the Department of Agriculture in 1952, and makes comparisons with the two preceding years. For example, the yellow is loan funds available, or borrowing authorizations that are available for loans.

The light green represents funds that are available for conservation aids, surplus removal, and the sugar program. Payments made to the States, including payments to State experimental stations and State extension services are shown in red. It includes, also, the payments to States for the cooperative fire-control program, farm forestry, and so forth.

Then, in the lower part of the column, in dark green, are all of the other appropriations for the Department of Agriculture, including the costs of administration of all the programs above.

The principal purpose of the chart, as we see it, is to clearly point out the fact that a very large part of the budget of the Department of Agriculture does not go for salaries and expenses. It goes for loans. It goes for conservation aids, surplus removal, and sugar-program payments. It goes for grant-in-aid programs to the States.

This dark-green area at the bottom, constituting only 29 percent of the total budget, represents all the other programs of the Department, including the marketing services, the market news service, the inspection and grading of farm products, the protection and management of the national forests, crop insurance, the technical assistance to farmers through the Soil Conservation Service, agricultural research, disease pest control, and so forth.

Let me explain that fourth column. We have put these two columns on here for 1952 for the same reason that the chairman was concerned about with this additional 109.5 million dollars this year.

This third column reflects the actual totals shown in the budget for the Department of Agriculture, including that 109.5 million dollars for the International Wheat Agreement and the foot-and-mouth disease program.

To leave that in there distorts past-year comparisons with what is proposed in the budget for the agricultural programs in 1952. If we take that 109.5 million dollars out, the comparison is 1.1 billion in 1952 against 1.3 billion and 1.5 billion in 1951 and 1950, respectively.

On the basis of that adjustment, then, we have 262 million dollars proposed for loans, as compared with 444 million dollars in 1951.

Mr. Bates. What percentage is loss?

Mr. Roberts. The loan percentage is about 23 percent.

Mr. Bates. Loss?

Mr. Roberts. No. This loan area represents 23 percent of the total. Our losses are very small on these agricultural loans.

On the REA loan program, they are infinitesimal. On the water-facilities loan program, matured principal is 99.9 percent repaid. On the FHA production loans, as I remember it, repayments are running above 90 percent of maturities.

Mr. BATES. That is not a debt against the Government then?

Mr. ROBERTS. No. It is something that is coming back in terms of repayment with interest. That is one of the points of this chart, Mr. Bates.

Mr. WHITTEN. If you look into the outlay of the Government, you must compare your authorizations this year with the expected collections. Within the last year, or several years, you have collected about as much as you loaned; have you not?

Mr. ROBERTS. Total collections are running a little under loans made, due primarily to long-term-repayment schedules. I think collections in 1952 are estimated at about 170 million dollars.

Mr. WHITTEN. You are right close to where this is in the nature of a revolving fund now?

Mr. ROBERTS. Yes; certainly in another few years.

Mr. BATES. Actually, that part of the appropriation is not a debt against the Government in reality?

Mr. ROBERTS. No; it is an asset.

Mr. HORAN. A very definite asset, I may say.

Mr. ROBERTS. The other point of the chart is that, of the total budget, only 29 percent is for so-called salaries and expenses to carry on all of the other activities and services of the Department of Agriculture such as I mentioned a few moments ago.

Mr. BATES. You said 29 percent was for salaries and expenses. I wonder what you include in expenses?

Mr. ROBERTS. I intended to say, Mr. Bates, that these are loans. These are conservation aids, sugar payments, and so forth. These are payments to States, grants-in-aid. And that this bottom part represents the entire remainder of the agricultural programs which are expended as salaries and expenses to provide the other agricultural services.

Mr. BATES. Did you not say that there was 29 percent of your appropriation for salaries and expenses?

Mr. ROBERTS. No; this is 29 percent of the total funds provided in the budget. This includes operating costs, such as the entire $50,000,000 for the Soil Conservation Service to render technical services, market news, the management of the national forests, and so forth. Twenty-nine percent would be too high for administrative expenses.

Mr. BATES. That is what I thought.

Mr. ROBERTS. This second chart is an attempt, Mr. Chairman, to give you some idea of what the agricultural budget looks like when it is broken down into major functions. Here we have the functions or programs, including the costs of administration. The salaries and expenses of the REA, for example, is reflected right along with the program costs. The green is 1950; the yellow is 1951; the blue is 1952.

The amounts shown here are the amounts that were actually authorized, or in 1952 proposed to be authorized. As you know, the borrowing authorizations for REA carry forward from one year to the next. While we had 500 million dollars authorized in 1950, we actually used 378.5 million dollars. So, if we were to put it on a used-fund basis, the total program would be shown here [indicating] where my pencil is.

In 1951, the program will be about $330,000,000. The yellow column would then be out here. In 1952, due to available balances from prior years, it will be $220,000,000.

In the conservation and development of resources, there is an increase. That is primarily in connection with the access-roads program. In the field of production, purchasing and distribution of commodities, an increase is reflected. But if we take out the $76,000,000 for the international wheat agreement, this column in 1952 would be substantially under both 1950 and 1951.

For farm loans there is an increase. As I have mentioned, there is a net increase there of about 5.5 million dollars.

Research is stabilized at about the 1950 and 1951 levels. It is a little under 1950, and about the same as for 1951.

Research and Marketing Act (Title II)

Mr. Whitten. I notice in your report, you have made a reduction in research and marketing of over $400,000. Does that mean you are switching the items of research?

Mr. Roberts. There are some increases in other activities for research that practically offset it, yes.

Mr. Whitten. I am trying to find out about that item.

Mr. Roberts. They are limited. The new research items, other than for strategic materials, are limited to work on oak wilt, stem rust, both very small amounts, and to get the new Brawley Experiment Station in California, which has just been completed, into operation; to provide it with a staff and to get it working, rather than have it idle.

Mr. Whitten. The point I am trying to get at is, is there anything to indicate——

Mr. Roberts. There is also an increase for fire-control research.

Mr. Whitten. Are you trying to switch these funds from research and marketing activities to the old-line agencies of the Department?

Mr. Roberts. That is not intended. When you get into the details, Mr. Chairman, I think you will see that is not the case.

There is a general reduction under title II, which has not been consolidated, as you know, with the other appropriations.

For the plant and animal disease and pest-control work, the increase is brought about again by the 32.5 million dollars for foot-and-mouth-disease operations in Mexico, through June 30, 1950.

If that were taken out, that program would stay about where it is in 1951. There are some small adjustments here and there. Reductions in a number of programs, including the Oriental fruitfly in Hawaii. There is a small reduction in hall scale work. There is also a small reduction on one of the other programs, tick eradication, I think.

The cooperative extension work remains the same. Actually, there is a small increase in there for Puerto Rico, but it is just a few thousand dollars. It is too small to be reflected in a chart of this kind.

The marketing and regulatory service activities show a slight increase. Again, it is so small it is not reflected in the chart. There is an increase there, as I have said, for cotton classing, and administering of the Grain Standards Act, and the Insecticide Act.

Crop insurance shows a slight increase. That is not an increase in the program, however.

And "all other" remains about the same.

I thought that would give you a good viewpoint of the budget on a functional basis.

Mr. WHITTEN. Mr. Roberts, we want to thank you for your statement at this time. We want you to include at this point in the record the tables that you normally introduce.

ADJUSTMENTS FOR TRANSFER OF CERTAIN FUNCTIONS TO GENERAL SERVICES ADMINISTRATION

Mr. ROBERTS. We will introduce those into the record. But first I would like to make an observation about some adjustments that you will find all the way through the justification notes.

I thought if we could explain them now, you will not have to have the Bureau witnesses explaining the situation each time it occurs.

Under Reorganization Plan 18, which was adopted during the last session of the Congress, the General Services Administration was given certain authority over the administration and supervision of general-purpose buildings, and over space assignments and leasing functions. In connection with that, the GSA has taken over from the Department of Agriculture this year, three general-purpose buildings in the field. They are going to manage them. We are transferring to GSA about $44,000 this year, that is reflected in the budget for next year as a fund which GSA will obtain by direct appropriation.

Also, under this same reorganization plan GSA is taking over the space assignment and leasing functions in 128 metropolitan areas. That also affects the appropriations of a number of our agencies, and results in reductions in our budget totaling $1,373,000. The reductions are being made here in Agriculture, as funds are being provided by direct appropriation to GSA in 1952. These affect quite a number of appropriations in the Department, and will recur as you go through the notes. I believe if you understand what it is now you will not have to reexamine the matter every time it comes up.

In addition, the GSA performs certain central procurement functions, as you folks know. For 1952 they are trying to eliminate some indirect costs which the agencies of Government pay GSA for handling procurement work for them. It results in a reduction of $173,559 affecting a number of appropriations throughout this bill. Those will be identified in each case, but I thought if we explained it now you would not have to go into it each time it recurs.

ADJUSTMENTS FOR DISTRIBUTION OF MOTION PICTURES

As the committee knows, we have a provision in the Agricultural Appropriation Act which provides for the transfer to the Office of Information of certain funds for the production of motion pictures and exhibits.

In the past, those transfers have included not only the production cost of motion pictures produced in the Department, but also the cost of distribution; that is, the cost of handling the motion-picture library and the distribution of the films from time to time over a period of years.

The distribution costs are only about $19,000. When we try to assess that against each appropriation, or each organization in the Department of Agriculture, on the basis of the films handled for them,

the sums get down to a few hundred dollars. The cost of handling it through the accounts, and so forth, is a large percent of the total amount of the transfer.

For 1952, we are proposing to reduce the appropriations in this bill to the extent of $19,000, and to increase the appropriation of the Office of Information by that same amount, so that these petty sums will not have to be handled through the books as transfers from one appropriation item to another each year.

Mr. HORAN. Mr. Chairman, I feel that there is something we should know more about. It probably could result in a policy on the part of this and other subcommittees on appropriations on this matter.

I would like to know, for instance, about what it costs to process, say, a requisition for an item that costs about a dollar.

Mr. ROBERTS. I would be very happy to have a statement prepared for you on that, Mr. Horan.

Mr. HORAN. I think that will be fine. I think we will find out in some instances it costs more to prepare the requisition than the item costs.

How that can be handled is something for this committee, or perhaps the Congress, to work out, in conjunction with the budget officers.

Mr. ROBERTS. Let me have a statement prepared. It depends on the procedures which the agency follows. We have attempted to set up special procedures for what we call small purchases, so we can get away from all the red tape and paper work that goes along with the normal issuance of a requisition.

I would be very happy to give you some information on that, Mr. Horan.

Mr. HORAN. I might say for the benefit of the committee, and Mr. Roberts, it is my understanding that the Committee on Post Office and Civil Service is working on a contingent fund, which will be made the responsibility for certain individuals, particularly postmasters, so that they will have to have an annual audit, or something like that, to make sure there is no abuse of that privilege.

But to try to get away from the high cost of requisitions as they are processed today is an effort in the right direction.

Mr. ROBERTS. Mr. Chairman, I would now like to place in the record the series of tables which we have prepared for the use and information of the committee during the hearings, and for the general information of the Members of Congress in their consideration of the Agriculture budget.

There are nine of them. The first two represent a summary and detailed statement of appropriations or budget estimates for 1952 with 1951 and 1950 comparisons.

SUMMARY STATEMENT OF ESTIMATES

Table 1 is a summary statement of the estimates of the Department of Agriculture, segregating appropriated funds and borrowing authorization for the FHA and REA loans.

(The table referred to is as follows:)

TABLE 1.—*Budget estimates, 1952, compared with appropriations and REA and FHA borrowing authorizations, 1951*

[NOTE.—1951 figures represent net amounts available after reductions under sec. 1214 of the 1951 General Appropriation Act and are adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates.]

Bureau or item	Net appropriations and borrowing authorizations, 1951, after reductions under sec. 1214	Budget estimates, 1952	Increase (+) or decrease (−)
Appropriations for current-year activity:			
Production and Marketing Administration:			
Conservation and use of agricultural land resources	[1] $256,500,000	$285,000,000	+$28,500,000
Acreage allotments and marketing quotas	25,800,000	24,000,000	−1,800,000
Sugar Act	63,750,000	73,300,000	+9,550,000
National school-lunch program	83,500,000	83,500,000	
Removal of surplus agricultural commodities (30 percent of customs receipts)	111,192,249	150,000,000	+38,807,751
Less transfer to "International Wheat Agreement"		−76,808,000	−76,808,000
Balance availble for removal of surplus agricultural commodities	111,192,249	73,192,000	−38,000,249
Marketing services	10,828,000	11,396,000	+568,000
Total, Production and Marketing Administration (excluding Commodity Credit Corporation; see supplement attached)	551,570,249	550,388,000	−1,182,249
Commodity Exchange Authority	650,000	650,000	
Soil Conservation Service	54,940,632	54,278,000	−662,632
Payments due counties, submarginal-land program	240,000	240,000	
Water conservation and utilization projects	185,500	500,000	+314,500
Federal Crop Insurance Corporation [2]	7,095,625	8,200,000	+1,104,375
Farmers' Home Administration:			
Grants (farm-housing program)	400,000	200,000	−200,000
Salaries and expenses	28,199,752	29,700,000	+1,500,248
Total, Farmers' Home Administration	28,599,752	29,900,000	+1,300,248
Rural Electrification Administration (administrative expenses)	8,421,350	8,500,000	+78,650
Farm Credit Administration: [2]			
Direct appropriation	579,700	580,000	+300
Assessments against member institutions of the farm credit system	2,325,000	2,325,000	
Agricultural Research Administration:			
Office of Administrator (including Agricultural Research Center)	587,500	587,000	−500
working capital fund	300,000		−300,000
Research on strategic and critical agricultural materials	399,000	700,000	+301,000
Research on agricultural problems of Alaska	280,000	280,000	
Office of Experiment Stations (principally payments to States)	12,823,708	12,853,708	+30,000
Bureau of Human Nutrition and Home Economics	1,483,100	1,482,500	−600
Bureau of Animal Industry	24,235,100	24,850,000	+614,900
Bureau of Dairy Industry	1,589,500	1,589,000	−500
Bureau of Agricultural and Industrial Chemistry	7,970,000	7,967,000	−3,000
Bureau of Plant Industry, Soils, and Agricultural Engineering	10,844,000	10,785,000	−59,000
Bureau of Entomology and Plant Quarantine:			
Control of emergency outbreaks of insects and plant diseases	2,100,000	2,063,000	−37,000
Other work of the Bureau	11,284,300	11,335,000	+50,700
Total, Agricultural Research Administration	73,896,208	74,492,208	+596,000

[1] Does not include $25,750,000 being borrowed from the Commodity Credit Corporation as authorized by sec. 391 (c) of the Agricultural Adjustment Act of 1938, for advances of materials and services on the 1951 crop program.

[2] For summary data on wholly owned Government corporations, see supplement to this table.

TABLE 1.—*Budget estimates, 1952, compared with appropriations and REA and FHA borrowing authorizations, 1951*—Continued

[NOTE.—1951 figures represent net amounts available after reductions under sec. 1214 of the 1951 General Appropriation Act and are adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates.]

Bureau or item	Net appropriations and borrowing authorizations, 1951, after reductions under sec. 1214	Budget estimates, 1952	Increase (+) or decrease (−)
Appropriations for current-year activity—Continued			
Research and Marketing Act of 1946 (Title II)	$5,932,000	$5,500,000	−$432,000
Control of forest pests (including white pine blister rust)	5,079,000	6,000,000	+921,000
Forest Service (excluding forest development roads and trails and permanent appropriations)	50,417,325	52,962,000	+2,544,675
Forest development roads and trails	10,437,500	17,500,000	+7,062,500
Permanent appropriations	11,840,056	14,612,554	+2,772,498
Flood control	6,112,800	8,900,000	+2,787,200
Extension Service (principally payments to States)	32,696,708	32,756,798	+60,090
Bureau of Agricultural Economics	5,439,000	5,395,000	−44,000
Office of the Secretary (including immediate Office of the Secretary, Offices of Budget and Finance, Plant and Operations, Personnel, and Hearing Examiners)	2,144,200	2,202,000	+57,800
Office of Solicitor	2,524,100	2,463,000	−61,100
Office of Foreign Agricultural Relations	600,000	600,000	
Office of Information	1,270,500	1,271,000	+500
Library	702,593	700,000	−2,593
Total, Appropriations for current-year activity	863,699,798	880,915,560	+17,215,762
Borrowing authorizations:			
Rural Electrification Administration Loans:			
Rural electrification [3]	283,573,500	100,000,000	−183,573,500
Rural telephone [4]	13,426,500	9,000,000	−4,426,500
Total, Rural Electrification Administration	297,000,000	109,000,000	−188,000,000
Farmers' Home Administration Loans:			
Farm ownership and farm housing	40,500,000	38,000,000	−2,500,000
Production and subsistence	103,000,000	110,000,000	+7,000,000
Water facilities	4,000,000	5,000,000	+1,000,000
Total, Farmers' Home Administration	147,500,000	153,000,000	+5,500,000
Total, Borrowing Authorizations	444,500,000	262,000,000	−182,500,000
Total, Appropriations for current-year activity and REA and FHA Borrowing Authorizations	1,308,199,798	1,142,915,560	−165,284,238
Special items:			
Eradication of foot-and-mouth and other contagious diseases of animals (1950 costs)		32,700,000	+32,700,000
International wheat agreement (1950 costs; transfer from "Removal of surplus agricultural commodities")		76,808,000	+76,808,000
Total, special items		109,508,000	+109,508,000
Total, Appropriations and REA and FHA borrowing authorizations	1,308,199,798	1,252,423,560	−55,776,238

[3] Due to carry-over of funds from prior years, on an available-funds basis, a loan program of $300,000,000 is planned for 1951 and $220,000,000 for 1952.

[4] Due to carry-over of funds from prior years, on an available-funds basis, a loan program of $30,000,000 is planned for 1951 and $14,000,000 for 1952.

SUPPLEMENT TO TABLE 1

SUMMARY DATA ON WHOLLY OWNED GOVERNMENT CORPORATIONS

Commodity Credit Corporation

Limitation on administrative expenses from corporate funds:	
Limitation, 1951	[1] $20,200,000
Budget estimate, 1952	20,200,000
Change	

[1] Includes proposed supplemental estimate of $3,850,000.

Under existing authority, the Commodity Credit Corporation is authorized to borrow and have outstanding a maximum of $6,750,000,000 at any one time. The Corporation must, however, reserve sufficient borrowing authority to assure its ability to purchase, in accordance with its contracts with lending agencies, loans made and held by such agencies. On June 30, 1950, borrowings against this authorization amounted to $3,193,201,303 and loans held by lending agencies amounted to $443,313,396. New borrowings are estimated at $1,776,000,000 for 1951 and $1,719,000,000 for 1952 and outstanding borrowings are estimated at $2,555,000,000 as of June 30, 1951, and $2,469,000,000 as of June 30, 1952. Loans held by lending agencies are estimated at $223,200,000 as of June 30, 1951, and $297,950,000 as of June 30, 1952.

Present indications are that the borrowing authority of $6,750,000,000 will be adequate to cover all of the Corporation's obligations in 1952.

Exclusive of repayments of borrowings, funds used in carrying out the Corporation's activities amounted to $3,701,432,818 for fiscal year 1950 and are estimated to aggregate $2,822,849,377 for fiscal year 1951 and $2,243,658,917 for fiscal year 1952.

The Corporation's books show a deficit of $798,236,490 as of June 30, 1950, consisting of $627,721,359, being the net loss for 1950, and $170,515,131, being the deficit on June 30, 1949. On September 6, 1950, a restoration of $66,698,457 was approved to cover the deficit in 1949. The difference between the deficit shown on the books of the Corporation as of June 30, 1949, and the amount of this restoration of capital resulted from the net adjustments based on the Secretary of the Treasury's appraisal of the Corporation's assets and liabilities as of June 30, 1949. These adjustments were based on the provision of the act of March 8, 1938, which defines asset values for appraisal purposes as the lower of cost or average market prices for the month of June. The Corporation, however, takes into consideration prospective sales outlets, the effect of production and price support levels on market prices, and the cost of carrying the assets in arriving at their estimated value. While the actual amount of the restoration of capital will depend on the amount of the capital impairment established by the Secretary of the Treasury as of June 30, 1950, the estimated amount of $427,000,000 is based on Treasury valuation principles rather than the deficit ($798,236,490) as shown on the books of the Corporation.

Federal Crop Insurance Corporation

Appropriation for operating and administrative expenses:	
Appropriation, 1951, after reduction under sec. 1214	$7,095,625
Budget estimate, 1952	8,200,000
Increase	+1,104,375

Funds provided by income from insurance premiums, sales of commodities, and interest are estimated at $14,481,800 in fiscal year 1951 and $22,297,700 in the fiscal year 1952. Funds applied to operating costs, other than administrative expenses, are estimated to aggregate $12,178,000 for the fiscal year 1951 and $19,932,900 for the fiscal year 1952. Total insurance coverage of the Corporation is estimated at $256,000,000 in fiscal year 1951. Total coverage is expected to increase to $475,000,000 in fiscal year 1952 as a result of greater participation in present areas.

Net operating results for crop year 1949 show indemnities exceeding premiums by $3,957,267. For crop year 1950, over-all insurance operations are expected to show a net income of over $2,200,000.

Authorized capital stock of the Corporation is $100,000,000, of which $73,000,000 is unissued.

Corporations supervised by the Farm Credit Administration

	Limitation, 1951	Budget estimate, 1952	Decrease
Limitations on administrative expenses for corporate funds:			
Federal Farm Mortgage Corporation	$1,280,000	$1,100,000	−$180,000
Federal Intermediate Credit Banks	1,496,000	1,496,000	
Production Credit Corporations	1,358,000	1,358,000	

The above wholly owned corporations, under the supervision of the Farm Credit Administration, have been organized and are in operation for the purpose of furnishing and facilitating long-and-short-term credit for agricultural purposes. With the exception of the Production Credit Corporations, they are authorized by law to borrow funds for current operations. For more detailed information on the activities of these corporations, see pages 462 to 476 of the 1952 budget. In addition, the Farm Credit Administration examines and supervises the Federal land banks and the banks for cooperatives which are a part of the farm credit system.

SUMMARY STATEMENT OF SUBAPPROPRIATIONS

Mr. ROBERTS. Table 2, which is a subappropriation table, also provides the information Mr. Andersen referred to earlier this morning. There is a column in it, you will notice, which indicates the reductions made under section 1214 of the 1951 General Appropriation Act. They are shown on a subappropriation basis, so you can see the complete picture there on the adjustments made under that provision of the 1951 act.

(The table referred to is as follows:)

TABLE 2.—*Subappropriations—Appropriations and REA and FHA borrowing authorizations, 1950, 1951, and budget estimates, 1952*

[NOTE.—Figures for 1950 and 1951 include all supplemental appropriations to date and are adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates]

Bureau or item	Appropriations and borrowing authorizations, 1950 [1]	Appropriations and borrowing authorizations, 1951			Budget estimates, 1952	Increase (+) or decrease (−) budget estimates, 1952, compared with net available, 1951
		Appropriations and borrowing authorizations, 1951	Reductions under sec. 1214 of General Appropriation Act, 1951	Net available		
Appropriations for current year activity:						
Research and Marketing Act of 1946 (title II)	$6,000,000	$6,000,000	$68,000	$5,932,000	$5,500,000	−$432,000
Bureau of Agricultural Economics:						
Economic investigations	2,653,500	2,600,000	65,000	2,535,000	2,529,000	−6,000
Crop and livestock estimates	2,875,100	2,904,000		2,904,000	2,866,000	−38,000
Total	5,528,600	5,504,000	65,000	5,439,000	5,395,000	−44,000
Agricultural Research Administration:						
Office of Administrator	[2] 770,893	592,500	5,000	587,500	587,000	−500
Working capital fund, agricultural research center		300,000		300,000		−300,000
Research on strategic and critical agricultural materials	354,000	399,000		399,000	700,000	+301,000
Research on agricultural problems of Alaska	675,000	280,000		280,000	280,000	
Office of Experiment Stations:						
Payments to States:						
Hatch Act	720,000	720,000		720,000	720,000	
Adams Act	720,000	720,000		720,000	720,000	
Purnell Act	2,880,000	2,880,000		2,880,000	2,880,000	
Bankhead-Jones Act, title I, secs. 3–5	2,863,708	2,863,708		2,863,708	2,863,708	
Bankhead-Jones Act, title I, sec. 9 (sec. 9, Research and Marketing Act, 1946)	5,000,000	5,000,000		5,000,000	5,000,000	
Hawaii	90,000	90,000		90,000	90,000	
Alaska	42,500	52,500		52,500	90,000	+37,500
Puerto Rico	90,000	90,000		90,000	90,000	
Total, payments to States	12,406,208	12,416,208		12,416,208	12,453,708	+37,500
Salaries and expenses	433,250	412,500	5,000	407,500	400,000	−7,500
Total	12,839,458	12,828,708	5,000	12,823,708	12,853,708	+30,000
Bureau of Human Nutrition and Home Economics	1,779,488	1,498,100	15,000	1,483,100	1,482,500	−600

See footnotes at end of table, p. 53.

TABLE 2.—*Subappropriations—Appropriations and REA and FHA borrowing authorizations, 1950, 1951, and budget estimates, 1952*—Continued

Bureau or item	Appropriations and borrowing authorizations, 1950 [1]	Appropriations and borrowing authorizations, 1951			Budget estimates, 1952	Increase (+) or decrease (−) budget estimates, 1952, compared with net available, 1951
		Appropriations and borrowing authorizations, 1951	Reductions under sec. 1214 of General Appropriation Act, 1951	Net available		
Appropriations for current year activity—Continued						
Agricultural Research Administration—Continued						
Bureau of Animal Industry:						
Salaries and expenses:						
Animal research	$3,607,088	$3,617,200	$89,000	$3,528,200	$3,539,400	+$11,200
Animal disease control and eradication	[2] 7,953,356	7,949,300	42,000	7,907,300	7,868,000	−39,300
Marketing agreements, hog cholera virus and serum	[4] 48,800	[4] 49,300		[4] 49,300	49,300	+49,300
Meat inspection	12,842,676	12,799,600		12,799,600	13,393,300	+593,700
Total	24,403,120	24,366,100	131,000	24,235,100	24,850,000	+614,900
Bureau of Dairy Industry	1,629,074	1,617,000	27,500	1,589,500	1,589,000	−500
Bureau of Agricultural and Industrial Chemistry	8,406,125	8,100,000	130,000	7,970,000	7,967,000	−3,000
Bureau of Plant Industry, Soils, and Agricultural Engineering:						
Plant, soil, and agricultural engineering research	[5] 10,749,747	[6] 10,915,600	220,250	[6] 10,695,350	10,636,400	−58,950
National Arboretum	72,900	152,700	4,050	148,650	148,600	−50
Total	10,922,647	11,068,300	224,300	10,844,000	10,785,000	−59,000
Bureau of Entomology and Plant Quarantine:						
Salaries and expenses:						
Insect investigations	[7] 4,108,648	4,106,800	45,500	4,061,300	3,908,000	−153,300
Insect and plant disease control	[7] 5,147,740	4,938,500	104,000	4,834,500	4,760,000	−74,500
Plant quarantines	2,394,326	2,426,200	37,700	2,388,500	2,667,000	+278,500
Total, salaries and expenses	11,650,714	11,471,500	187,200	11,284,300	11,335,000	+50,700
Control of emergency outbreaks of insects and plant diseases	[8] 3,261,934	[9] 2,100,000		[9] 2,100,000	[9] 2,063,000	−37,000
Total	14,912,648	13,571,500	187,200	13,384,300	13,398,000	+13,700
Control of forest pests:						
Forest Pest Control Act	[10] 3,750,000	[11] 1,650,000		[11] 1,650,000	[12] 2,593,000	+943,000
White pine blister rust	3,655,833	3,489,750	60,750	3,429,000	3,407,000	−22,000
Total	7,405,833	5,139,750	60,750	5,079,000	6,000,000	+921,000

Forest Service:						
Salaries and expenses:						
National forest protection and management	27,146,398	27,455,025	333,000	27,122,025	29,655,000	+2,532,975
Fighting forest fires	[13] 6,777,000	[14] 6,000,000		[14] 6,000,000	[14] 6,000,000	
Forest research	5,338,600	5,317,500	97,000	5,220,500	5,345,000	+124,500
Total, salaries and expenses	39,261,998	38,772,525	430,000	38,342,525	41,000,000	+2,657,475
Forest development roads and trails	10,439,600	10,437,500		10,437,500	17,500,000	+7,062,500
Acquisition of lands for national forests:						
Weeks Act	401,000	300,000	50,000	250,000	100,000	−150,000
Superior National Forest	75,000	150,000		150,000	150,000	
Acquisition of lands from national forest receipts	142,000	142,000		142,000	142,000	
State and private forestry cooperation	10,144,700	10,867,800	35,000	10,832,800	10,820,000	−12,800
Cooperative range improvements		700,000		700,000	750,000	+50,000
Payments to schools funds, Arizona and New Mexico, national forests fund (permanent)	60,775	71,930		71,930	71,930	
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (permanent)	43,548	45,000		45,000	45,000	
Payments to States and territories from the national forests fund (permanent)	7,753,275	8,372,747		8,372,747	10,354,017	+1,981,270
Roads and trails for States, national forest fund (permanent)	3,101,420	3,350,379		3,350,379	4,141,607	+791,228
Total	71,423,316	73,209,881	515,000	72,694,881	85,074,554	+12,379,673
Flood control	[14a] 9,497,800	[14a] 10,312,800	4,200,000	[14a] 6,112,800	[15] 8,900,000	+2,787,200
Soil Conservation Service	54,377,295	55,460,632	520,000	54,940,632	54,278,000	−662,632
Payments due counties and refunds, submarginal land program (permanent)	256,929	240,000		240,000	240,000	
Water conservation and utilization projects	[16]	[14a] 500,000	314,500	[14] 185,500	500,000	+314,500
Production and Marketing Administration:						
Conservation and use of agricultural land resources	257,043,439	282,500,000	26,000,000	[17] 256,500,000	285,000,000	+28,500,000
Acreage allotments and marketing quotas	30,150,774	32,300,000	6,500,000	25,800,000	24,000,000	−1,800,000
Sugar Act	60,000,000	63,750,000		63,750,000	73,300,000	+9,550,000
National school-lunch program	83,500,000	83,500,000		83,500,000	83,500,000	
Removal of surplus agricultural commodities (30 percent of customs receipts)	125,606,982	[18] 111,192,249		[18] 111,192,249	[18] 150,000,000	+38,807,751
Less transfer to "International Wheat Agreement"					−76,808,000	−76,808,000
Balance available for removal of surplus agricultural commodities	125,606,982	111,192,249		111,192,249	73,192,000	−38,000,249
Marketing Services	10,402,952	10,838,000	10,000	10,828,000	11,396,000	+568,000
Commodity Exchange Authority	567,800	650,000		650,000	650,000	
Federal Crop Insurance Corporation	[19] 5,122,627	7,203,625	108,000	7,095,625	8,200,000	+1,104,375
Rural Electrification Administration (salaries and expenses)	[20] 7,127,122	8,549,600	128,250	8,421,350	8,500,000	+78,650

See footnotes at end of table, p. 53.

TABLE 2.—*Subappropriations—Appropriations and REA and FHA borrowing authorizations, 1950, 1951, and budget estimates, 1952*—Continued

Bureau or item	Appropriations and borrowing authorizations, 1950 [1]	Appropriations and borrowing authorizations, 1951			Budget estimates, 1952	Increase (+) or decrease (−) budget estimates, 1952, compared with net available, 1951
		Appropriations and borrowing authorizations, 1951	Reductions under sec. 1214 of General Appropriation Act, 1951	Net available		
Appropriations for current year activity—Continued						
Farmers' Home Administration:						
Grants (farm housing program)	$650,000	$650,000	$250,000	$400,000	$200,000	−$200,000
Salaries and expenses	26,598,752	28,499,752	300,000	28,199,752	29,700,000	+1,500,248
Total	27,248,752	29,149,752	550,000	28,599,752	29,900,000	+1,300,248
Farm Credit Administration:						
Direct appropriation	530,029	584,700	5,000	579,700	580,000	+300
Assessments against member institutions of the Farm Credit system	2,198,976	2,235,000		2,325,000	2,325,000	
Extension Service:						
Payments to States:						
Capper-Ketcham Act	1,480,000	1,480,000		1,480,000	1,480,000	
Bankhead-Jones Act, title II:						
Sec. 21	12,000,000	12,000,000		12,000,000	12,000,000	
Sec. 23	12,500,000	12,500,000		12,500,000	12,500,000	
Additional extension work	555,000	555,000		555,000	555,000	
Alaska	23,950	56,100		56,100	56,100	
Puerto Rico	408,000	479,348		479,348	540,438	+61,090
Farm Housing Act of 1949 (title V, sec. 506 (a))	122,000	33,050		33,050	33,050	
Cooperative agricultural extension work (permanent)	4,704,710	4,704,710		4,704,710	4,704,710	
Total, payments to States	31,793,660	31,808,208		31,808,208	31,869,298	+61,090
Salaries and expenses	925,671	897,500	9,000	888,500	887,500	−1,000
Total	32,719,331	32,705,708	9,000	32,696,708	32,756,798	+60,090
Office of the Secretary	2,204,662	2,168,800	24,600	2,144,200	2,202,000	+57,800
Office of Solicitor	2,379,500	2,562,500	38,400	2,524,100	2,463,000	−61,100
Office of Foreign Agricultural Relations	587,900	600,000		600,000	600,000	
Office of Information	1,286,063	1,284,800	14,300	1,270,500	1,271,000	+500
Library	734,993	713,293	10,700	702,593	700,000	−2,593
Deduct amounts, included above, transferred from "Salaries and expenses, farm housing," "Supply and distribution of farm labor," and "Salaries and expenses, Agricultural Adjustment Administration" for pay adjustment costs	−677,955					
Total, appropriations for current year activity	879,916,173	903,566,298	39,866,500	863,699,798	880,915,560	+17,215,762
Borrowing authorizations:						

Borrowing authorizations:						
Rural Electrification Administration Loans:						
Rural electrification [21]	[22] 470,000,000	350,000,000	66,426,500	283,573,500	100,000,000	−183,573,500
Rural telephone [23]	25,000,000	32,500,000	19,073,500	13,426,500	9,000,000	−4,426,500
Total, Rural Electrification Administration	495,000,000	382,500,000	85,500,000	297,000,000	109,000,000	−188,000,000
Farmers' Home Administration Loans:						
Farm ownership and farm housing	41,350,000	[24] 65,000,000	24,500,000	[24] 40,500,000	38,000,000	−2,500,000
Production and subsistence	85,000,000	[25] 103,000,000		[25] 103,000,000	110,000,000	+7,000,000
Water facilities	3,000,000	4,000,000		4,000,000	5,000,000	+1,000,000
Total, Farmers Home Administration	129,350,000	172,000,000	24,500,000	147,500,000	153,000,000	+5,500,000
Total, borrowing authorizations	624,350,000	554,500,000	110,000,000	444,500,000	262,000,000	−182,500,000
Total, appropriations for current year activity and REA and FHA borrowing authorizations	1,504,266,173	1,458,066,298	149,866,500	1,308,199,798	1,142,915,560	−165,284,238
Special items:						
Eradication of foot-and-mouth and other contagious diseases of animals (1950 costs)					32,700,000	+32,700,000
International wheat agreement (1950 costs—transfer from "Removal of surplus agricultural commodities")					76,808,000	+76,808,000
Total, special items					109,508,000	+109,508,000
Total, appropriations and REA and FHA borrowing authorizations	1,504,266,175	1,458,066,298	149,866,500	1,308,199,798	1,252,423,560	−55,776,238

RECAPITULATION

Appropriations (other than permanents)	$738,388,534	$775,589,283	$39,866,500	$735,722,783	$820,866,296	+$85,143,513
Permanent appropriations:						
Payments to school funds, Arizona and New Mexico, national forests fund	60,775	71,930		71,930	71,930	
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund	43,548	45,000		45,000	45,000	
Payments to States and Territories from the national forests fund	7,753,275	8,372,747		8,372,747	10,354,017	+1,981,270
Roads and trails for States, national forests fund	3,101,420	3,350,379		3,350,379	4,141,607	+791,228
Payments due counties and refunds, submarginal land program	256,929	240,000		240,000	240,000	
Removal of surplus agricultural commodities (30 percent of customs receipts)	125,606,982	111,192,249		111,192,249	150,000,000	+38,807,751
Cooperative agricultural extension work	4,704,710	4,704,710		4,704,710	4,704,710	
Total, permanent appropriations	141,527,639	127,977,015		127,977,015	169,557,264	+41,580,249
Borrowing authorizations:						
Rural Electrification Administration loans	495,000,000	382,500,000	85,500,000	297,000,000	109,000,000	−188,000,000
Farmers' Home Administration loans	129,350,000	172,000,000	24,500,000	147,500,000	153,000,000	+5,500,000
Total, borrowing authorizations	624,350,000	554,500,000	110,000,000	444,500,000	262,000,000	−182,500,000
Total, appropriations and REA and FHA borrowing authorizations	1,504,266,173	1,458,066,298	149,866,500	1,308,199,798	1,252,423,560	−55,776,238

See footnotes at end of table, p. 53.

TABLE 2.—*Subappropriations—Appropriations and REA and FHA borrowing authorizations, 1950, 1951, and budget estimates, 1952*—Continued

CORPORATE ADMINISTRATIVE EXPENSE LIMITATIONS

Bureau or item	Appropriations and borrowing authorizations, 1950 [1]	Appropriations and borrowing authorizations, 1951			Budget estimates, 1952	Increase (+) or decrease (−) budget estimates, 1952, compared with net available, 1951
		Appropriations and borrowing authorizations, 1951	Reductions under sec. 1214 of General Appropriation Act, 1951	Net available		
Commodity Credit Corporation	$15,350,000	[26] $20,200,000		[26] $20,200,000	$20,200,000	
Federal Farm Mortgage Corporation	1,500,000	1,280,000		1,280,000	1,100,000	−$180,000
Federal intermediate credit banks	1,398,000	1,496,000		1,496,000	1,496,000	
Production credit corporations	1,348,000	1,358,000		1,358,000	1,358,000	
Total, corporate administrative expense limitations	19,596,000	24,334,000		24,334,000	24,154,000	−180,000

TRUST FUNDS

Bureau of Animal Industry:						
Expenses and refunds, inspection and certification of canned wet animal foods	$95,651	$100,000		$100,000	$100,000	
Forest Service:						
Cooperative work	6,190,950	4,500,000		4,500,000	4,500,000	
State rural rehabilitation corporation funds	10,793	13,651		13,651	13,651	
Soil Conservation Service:						
Operation and maintenance, water distribution systems, water conservation and utilization projects	9,258	9,800		9,800	9,800	
Payments in lieu of taxes and operation and maintenance costs, water conservation and utilization projects	52,667	26,000		26,000	19,000	−$7,000
Technical services and other assistance, agricultural conservation program	108,233	200,000		200,000	200,000	
Production and Marketing Administration:						
Expenses and refunds, inspection and grading of farm products	6,070,776	5,706,700		5,706,700	5,800,000	+93,300
Grading of agricultural commodities for Commodity Credit Corporation	400,000					
Indemnity fund, county associations	807	500		500	500	
Moisture content and grade determinations for Commodity Credit Corporation	13					
Undistributed cotton price adjustment payments	57	100		100	100	

Farmers' Home Administration:						
Liquidation of deposits, lease, and purchase contracts	20,500	16,000		16,000	14,000	−2,000
State rural rehabilitation funds, new agreements	13,611,422	9,800,000		9,800,000	7,000,000	−2,800,000
Miscellaneous contributed funds	510,515	589,450		589,450	533,000	−56,450
Return of excess deposits for reproduction of photographs, mosaics, and maps	1,067	46,360		46,360	200	−46,160
Total, trust funds	27,082,709	21,008,561		21,008,561	18,190,251	−2,818,310

[1] Individual items reflect amounts appropriated in the Deficiency Appropriation Act, 1950, for pay adjustment costs.
[2] Includes $150,000 appropriated in the Second Supplemental Appropriation Act, 1950.
[3] Includes $60,000 appropriated in the Third Deficiency Appropriation Act, 1949.
[4] Financed in fiscal years 1950 and 1951 by transfer from the appropriation made by sec. 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933.
[5] In addition, the act provides $100,000 contract authority in connection with the establishment of the irrigation experiment station at Brawley, Calif.
[6] Includes $100,000 appropriated in the Supplemental Appropriation Act, 1951.
[7] Includes $95,000 appropriated in the Third Deficiency Appropriation Act, 1949.
[8] Includes $1,750,000 appropriated in Public Law 215, approved Aug. 8, 1949, and $1,000,000 appropriated in the Urgent Deficiency Appropriation Act, 1950.
[9] Includes $1,250,000 contingency fund for use only to the extent determined by the Secretary and the Bureau of the Budget.
[10] Includes $750,000 appropriated in the Urgent Deficiency Appropriation Act, 1950, and $2,000,000 appropriated in the Deficiency Appropriation Act, 1950.
[11] Includes $750,000 contingency fund for use only to the extent determined by the Secretary and the Bureau of the Budget.
[12] Includes $2,000,000 contingency fund for use only to the extent determined by the Secretary and the Bureau of the Budget.
[13] Includes $6,677,000 appropriated in the Deficiency Appropriation Act, 1950.
[14] Includes $2,500,000 contingency fund for use only to the extent determined by the Secretary and the Bureau of the Budget.
[14a] In addition, prior-year balances available.
[15] Includes $250,000 for general basin investigations in the Arkansas-White-Red and the New England-New York areas.
[16] Prior-year balances available.
[17] Does not include $25,750,000 being borrowed from the Commodity Credit Corporation, as authorized by sec. 391 (c) of the Agricultural Adjustment Act of 1938, for advances of materials and services on the 1951 crop program.
[18] In addition, prior year balances available.
[19] Includes $1,000,000 appropriated in the Second Supplemental Appropriation Act, 1950.
[20] Includes $250,000 appropriated in the Supplemental Appropriations Act, 1950; $650,000 appropriated in the Second Supplemental Appropriation Act, 1950; and $165,000 appropriated in the Deficiency Appropriation Act, 1950.
[21] Due to carry-over of funds from prior years, on an available funds basis, a loan program of $300,000,000 is planned for 1951 and $220,000,000 for 1952.
[22] Consists of $350,000,000 borrowing authorization for rural electrification loans and $120,000,000 borrowed under the additional authorization of $150,000,000 contingent upon certification of need by the Secretary of Agriculture.
[23] Due to carry-over of funds from prior years, on an available funds basis, a loan program of $30,000,000 is planned for 1951 and $14,000,000 for 1952.
[24] In addition, $7,134,975 available from fiscal year 1950 authorizations.
[25] Includes $18,000,000 authorized in the Supplemental Appropriation Act, 1951.
[26] Includes proposed supplemental estimate of $3,850,000.

STATEMENT OF INCREASES AND DECREASES

Mr. ROBERTS. Table 3 is a statement of increases and decreases which I think the committee members will find very informative when considering this budget on a more or less summary basis, and when you do not want to bother going into the details of the explanatory notes.

(The table referred to is as follows:)

TABLE 3.—*Statement of increases and decreases, budget estimates, 1952, compared with appropriations and REA and FHA borrowing authorizations, 1951*

[Based on 1951 figures after reductions under sec. 1214 of the 1951 General Appropriation Act and adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates; figures in brackets [] not included in totals]

Total direct appropriations, and REA and FHA borrowing authorizations, 1951		$1,458,066,298
Reduction pursuant to section 1214		−149,866,500
Total available, 1951		1,308,199,798
Budget estimates, 1952 (direct appropriations, and REA and FHA borrowing authorizations)		1,252,423,560
Net decrease, appropriations, and REA and FHA borrowing authorizations		−55,776,238
The net decrease consists of—		
Appropriations for current year activity		+17,215,762
Appropriations for prior year activity		+109,508,000
REA and FHA borrowing authorizations		−182,500,000
		−55,776,238
Appropriations for current year activity:		
Increases:		
Production and Marketing Administration:		
Conservation and use of agricultural land resources (increase for the 1951 crop year agricultural conservation program in accordance with the advance authorization of $285,000,000 carried in the 1951 Agricultural Appropriation Act. On an available funds basis, the increase is $2,750,000 due to the availability in 1951 of an additional $25,750,000 borrowed from the Commodity Credit Corporation as authorized by sec. 391 (c) of the Agricultural Adjustment Act of 1938 for advances of materials and services on the 1951 crop program)	+$28,500,000	
Sugar Act (increase primarily for conditional payments to sugar growers)	+9,550,000	
Marketing services (increases of: (1) $566,500 for mandatory cotton classing (on funds available basis, represents increase of $250,000 due to availability by transfer of $316,500 in 1951); and (2) $154,500 to provide more effective enforcement of the U. S. Grain Standards, the Federal Seed, and the Insecticide, Fungicide, and Rodenticide Acts)	+721,000	
Soil Conservation Service: Water conservation and utilization projects. (Net increase for land development. Due to the availability of prior-year balances of $341,286 in 1951, there will be a net decrease of $25,886 in total funds available)	+315,400	
Federal Crop Insurance Corporation (net increase for servicing, collecting premiums, and inspecting growing crops and adjusting losses on the 127,000 contract increase in crop year 1951)	+1,181,200	
Farmers' Home Administration (increase to provide for making additional production and subsistence and water facilities loans and for servicing insured mortgages)	+1,800,000	
Rural Electrification Administration (for administration of the rural electrification program (−$17,550) and the rural telephone program (+$101,200))	+83,650	
Agricultural Research Administration:		
Research on strategic and critical agricultural materials (increases for investigations on extraction of tannin from canaigre, replacements for specific uses of stockpiled strategic oils, and on hard-fiber plants and hard-fiber substitutes for cordage)	+351,500	
Office of Experiment Stations (for payments to Alaska)	+37,500	
Bureau of Animal Industry (increases for investigations on control of hog cholera, and to provide a more adequate meat inspection service)	+648,600	
Bureau of Plant Industry, Soils, and Agricultural Engineering (increases to develop wheat varieties resistant to new races of stem rust, and practical methods for controlling oak wilt; and for operation of research program at Brawley, Calif.)	+148,900	
Bureau of Entomology and Plant Quarantine (increases for oak wilt insect control investigations and to strengthen transit inspection and port inspection work)	+300,200	

TABLE 3.—*Statement of increases and decreases, budget estimates, 1952, compared with appropriations and REA and FHA borrowing authorizations, 1951*—Con.

Appropriations for current year activity—Continued		
Increases—Continued		
Control of forest pests: Forest Pest Control Act (net increases to provide a total contingency fund of $2,000,000 and to strengthen detection and appraisal surveys. Due to availability of prior-year balances of $2,079,458 in 1951, there will be a net decrease of $1,132,458 in total funds available)	+$947,000	
Forest Service:		
Salaries and expenses (increases for administration of timber sales, fire control, range reseeding, survey of forest resources, and research)	+2,918,400	
Forest development roads and trails (increase of $7,097,100 for the construction of additional access roads to standing timber. Due to the availability of prior year balances of $1,146,638 in 1951, there will be an increase of $5,950,462 in total funds available)	+7,097,100	
Increases of $50,000 for cooperative range improvements and $2,772,498 in permanent appropriations for payments to States and Territories (+$1,981,270) and roads and trails for States (+$791,228) from the national forests fund	+2,822,498	
Flood control (increase in appropriation of $2,826,000. Due to availability of prior-year balances of $3,088,775 in fiscal year 1951, there will be a net decrease of $262,775 in total funds available consisting of an increase of $250,000 for general basin investigations in the Arkansas-White-Red-River and New England-New York areas, and a decrease of $512,775 for flood-control surveys and works of improvement)	+2,826,000	
Extension Service (for payments to Puerto Rico)	+61,090	
Office of the Secretary (increase for more effective liaison between the Department and the State commissioners, secretaries, and directors of agriculture; for coordination of Department's participation in the comprehensive program for the New England-New York area; to strengthen central telephone switchboard service and records management and disposition; and to meet mandatory workload in the Office of Hearings Examiners)	+61,750	
Other increases	+114,837	
		+$60,486,625
Decreases:		
Production and Marketing Administration:		
Acreage allotments and marketing quotas programs	−1,800,000	
Removal of surplus agricultural commodities (reduction in funds available for sec. 32 purposes, composed of an increase of $38,807,751 arising from increased customs receipts in calendar year 1950 and the proposal in the 1952 budget to transfer $76,808,000 of such funds to CCC for 1950 costs of the International Wheat Agreement)	−38,000,249	
Soil Conservation Service (decrease due to elimination of nonrecurring items for Greenleaf Lake, Cookson Hills, and San Simon land utilization projects)	−340,175	
Farmers Home Administration (decrease in farm housing repair and improvement grants)	−200,000	
Agricultural Research Administration: Decreases in funds for Hall scale eradication and for research on oriental fruitfly ($175,000) and elimination of nonrecurring items included in the 1951 act ($583,450), for alterations and purchases of equipment for tannin extraction studies, for maintenance work at the Puerto Rico experiment station, for completion of construction of buildings and facilities at the Brawley, Calif., field station, for purchase of office buildings at Greenfield, Mass., and for establishment of a working capital fund at the Agricultural Research Center	−758,450	
Research and Marketing Act of 1946 (title II)	−430,500	
Forest Service (reduction in land purchase program under the Weeks Act)	−150,000	
Decreases due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from appropriations of the Department	−1,547,389	
Other decreases	−44,100	
		−43,270,863
Net increase, appropriations for current year activity		+17,215,762

TABLE 3.—*Statement of increases and decreases, budget estimates, 1952, compared with appropriations and REA and FHA borrowing authorizations, 1951*—Con.

Borrowing authorizations:		
Rural Electrification Administration:		
Rural electrification loans (decrease in borrowing authorization. Due to carry-over of funds from prior years, a loan program of $220,000,000 is planned for 1952)	−$183,573,500	
Rural telephone loans (decrease in borrowing authorization. Due to carry-over of funds from prior years, a loan program of $14,000,000 is planned for 1952)	−4,426,500	
Farmers Home Administration:		
Farm ownership and farm housing loans (decrease in borrowing authorization. On an available funds basis, there will be a decrease of $9,634,975 due to the availability in 1951 of prior year balance of $7,134,975 for farm housing loans)	−2,500,000	
Production and subsistence loans (net increase consisting of (1) an increase of $25,000,000 for additional production and subsistence loans, and (2) a decrease of $18,000,000 due to elimination of funds provided in the Supplemental Appropriation Act, 1951, for loans to farmers suffering disaster in areas designated under Public Law 38, approved Apr. 6, 1949)	+7,000,000	
Water facilities loans	+1,000,000	
		−$182,500,000
Net decrease, appropriations for current year activity and REA and FHA borrowing authorizations		−165,284,238
Special items:		
Eradication of foot-and-mouth and other contagious diseases of animals (1950 costs)	+$32,700,000	
International Wheat Agreement (1950 costs—transfer from "Removal of surplus agricultural commodities")	+76,808,000	
Increase, special items		+109,508,000
Net decrease, appropriations and REA and FHA borrowing authorizations		−55,776,238

HISTORICAL SUMMARY OF APPROPRIATIONS AND AUTHORIZATIONS

Mr. ROBERTS. Tables 4 and 5 contain a summary and detailed historical table on appropriations to the Department of Agriculture. We have attempted to carry that back 10 years. And then, in keeping with the request that this committee made a couple of years ago, we have also made a comparison with 1940, which was the last normal year before World War II.

(The tables referred to are as follows:)

TABLE 4.—*Summary of appropriations and loan authorizations, fiscal years 1940, 1943–51, and budget estimates, 1952*

[NOTE.—Figures in parentheses ( ) not included in totals. Amounts for years 1940 and 1943–51 adjusted for comparability with the appropriation structure in the 1952 budget estimates.]

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Appropriations and loan authorizations to Department of Agriculture:											
Agricultural conservation and adjustment payment programs (includes conservation and use, Sugar Act, parity payments, etc.)	828.3	497.5	634.4	355.1	404.2	367.9	283.2	231.9	347.2	346.1	282.3
Removal of surplus agricultural commodities	205.5	175.3	97.1	119.3	114.3	115.4	84.0	57.9	125.6	111.2	73.2
International Wheat Agreement (transfer from "Removal of surplus agricultural commodities")											76.8
National school lunch program [2]	(12.4)	(15.3)	(50.0)	(57.5)	(57.5)	81.0	70.0	75.0	83.5	83.5	83.5
Marketing services (exclusive of Research and Marketing Act of 1946, title II)	5.6	6.3	6.5	6.8	6.9	10.0	9.4	10.0	10.4	10.8	11.4
War Food Administration, salaries and expenses		0.5	26.2	28.7	11.9						
Farm labor program		26.1	30.0	20.0	25.0	17.0					
Soil Conservation Service programs	27.7	25.4	25.1	30.9	37.0	47.0	40.8	50.0	54.7	55.3	55.0
Federal Crop Insurance Corporation, operating and administrative expenses	5.8	8.4	3.5	3.4	8.3	7.3	5.0	4.5	5.1	7.1	8.2
Farmers Home Administration programs	249.5	207.2	180.8	155.5	192.4	179.9	104.8	115.2	156.6	176.1	182.9
Rural electrification and rural telephones	42.4	13.0	22.6	28.3	304.7	255.6	405.1	406.0	502.1	305.4	117.5
Farm Credit Administration, salaries and expenses	4.9	4.4	3.6	3.3	2.9	3.2	3.1	2.6	2.7	2.9	2.9
Crop and livestock research, and disease, insect, and pest control (exclusive of Research and Marketing Act of 1946, title II)	38.3	31.5	28.6	33.2	33.8	50.0	74.3	83.1	51.5	48.7	81.5
Research and Marketing Act of 1946 (title II)							2.0	4.7	6.0	5.9	5.5
Control of forest pests	1.1	2.1	2.2	2.4	3.3	6.1	4.7	4.6	7.4	5.1	6.0
Forestry	32.1	29.7	37.1	40.2	47.6	63.7	67.1	66.9	71.4	72.6	85.0
Emergency rubber project		19.0	13.0	5.4	4.1						
Payments to States for experiment stations and extension service	25.3	25.8	25.9	25.9	30.6	34.6	37.2	41.4	44.2	44.2	44.4
Other items	18.7	18.1	19.4	23.5	23.8	18.0	25.1	30.1	35.8	33.1	36.6
Total, above items	1,485.2	1,089.9	1,156.1	882.3	1,251.1	1,257.0	1,216.1	1,184.0	1,504.3	1,308.2	1,252.4

See footnotes at end of table, p. 58.

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Rural Electrification Administration:		
Rural electrification loans (decrease in borrowing authorization. Due to carry-over of funds from prior years, a loan program of $220,000,000 is planned for 1952)	−$183,573,500	
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Production and subsistence loans (net increase consisting of (1) an increase of $25,000,000 for additional production and subsistence loans, and (2) a decrease of $18,000,000 due to elimination of funds provided in the Supplemental Appropriation Act, 1951, for loans to farmers suffering disaster in areas designated under Public Law 38, approved Apr. 6, 1949)	+7,000,000	
Water facilities loans	+1,000,000	
		−$182,500,000
Net decrease, appropriations for current year activity and REA and FHA borrowing authorizations		−165,284,238
Special items:		
Eradication of foot-and-mouth and other contagious diseases of animals (1950 costs)	+$32,700,000	
International Wheat Agreement (1950 costs—transfer from "Removal of surplus agricultural commodities")	+76,808,000	
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[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Appropriations and loan authorizations to Department of Agriculture:											
Agricultural conservation and adjustment payment programs (includes conservation and use, Sugar Act, parity payments, etc.)	828.3	497.5	634.4	355.1	404.2	367.9	283.2	231.9	347.2	346.1	282.3
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International Wheat Agreement (transfer from "Removal of surplus agricultural commodities")											76.8
National school lunch program [2]	(12.4)	(15.3)	(50.0)	(57.5)	(57.5)	81.0	70.0	75.0	83.5	83.5	83.5
Marketing services (exclusive of Research and Marketing Act of 1946, title II)	5.6	6.3	6.5	6.8	6.9	10.0	9.4	10.0	10.4	10.8	11.4
War Food Administration, salaries and expenses		0.5	26.2	28.7	11.9						
Farm labor program		26.1	30.0	20.0	25.0	17.0					
Soil Conservation Service programs	27.7	25.4	25.1	30.9	37.0	47.0	40.8	50.0	54.7	55.3	55.0
Federal Crop Insurance Corporation, operating and administrative expenses	5.8	8.4	3.5	3.4	8.3	7.3	5.0	4.5	5.1	7.1	8.2
Farmers Home Administration programs	249.5	207.2	180.8	155.5	192.4	179.9	104.8	115.2	156.6	176.1	182.9
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Farm Credit Administration, salaries and expenses	4.9	4.4	3.6	3.3	2.9	3.2	3.1	2.6	2.7	2.9	2.9
Crop and livestock research, and disease, insect, and pest control (exclusive of Research and Marketing Act of 1946, title II)	38.3	31.5	28.6	33.2	33.8	50.0	74.3	83.1	51.5	48.7	81.5
Research and Marketing Act of 1946 (title II)							2.0	4.7	6.0	5.9	5.5
Control of forest pests	1.1	2.1	2.2	2.4	3.3	6.1	4.7	4.6	7.4	5.1	6.0
Forestry	32.1	29.7	37.1	40.2	47.6	63.7	67.1	66.9	71.4	72.6	85.0
Emergency rubber project		19.0	13.0	5.4	4.1						
Payments to States for experiment stations and extension service	25.3	25.8	25.9	25.9	30.6	34.6	37.2	41.4	44.2	44.2	44.4
Other items	18.7	18.1	19.4	23.5	23.8	18.0	25.1	30.1	35.8	33.1	36.6
Total, above items	1,485.2	1,089.9	1,156.1	882.3	1,251.1	1,257.0	1,216.1	1,184.0	1,504.3	1,308.2	1,252.4

See footnotes at end of table, p. 58.

TABLE 4.—*Summary of appropriations and loan authorizations, fiscal years 1940, 1943–51, and budget estimates 1952*—Continued

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Special appropriations to Secretary of the Treasury for Department of Agriculture programs:											
Commodity Credit Corporation, restoration of capital impairment	119.6			256.8							
Federal Crop Insurance Corporation, subscriptions to capital stock				30.0		20.0	10.0				
Farm Credit Administration, payments to Federal land banks and to Federal Farm Mortgage Corporation for reduction in interest rate on mortgages	37.1	33.8	29.2								
Total, special items	156.7	33.8	29.2	286.8		20.0	10.0				
Grand total	1,641.9	1,123.7	1,185.3	1,169.1	1,251.1	1,277.0	1,226.1	1,184.0	1,504.3	1,308.2	1,252.4

[1] Represents net amounts available after reductions under section 1214 of the 1951 General Appropriation Act.

[2] Prior to the enactment of the National School Lunch Act in June, 1946, school lunch activities were carried on under the appropriation for "Removal of surplus agricultural commodities."

NOTE.—Details may not add to totals shown due to rounding.

TABLE 5.—*Appropriations and loan authorizations, fiscal years 1940, 1943 to 1951, and budget estimates, 1952*

[NOTE.—Figures in parentheses ( ) not included in totals. Amounts for years 1940 and 1943 to 1951 adjusted for comparability with the appropriation structure in the 1952 budget estimates.]

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Appropriations and loan authorizations to Department of Agriculture:											
Research and Marketing Act of 1946 (title II)							2.0	4.7	6.0	5.9	5.5
Bureau of Agricultural Economics:											
Economic investigations	3.2	2.4	2.4	2.4	2.5	2.5	2.3	2.6	2.6	2.5	2.5
Crop and livestock estimates	1.1	1.3	1.6	1.8	1.9	2.5	2.5	2.7	2.9	2.9	2.9
Agricultural Research Administration:											
Office of Administrator	.1	.3	.3	.3	.3	.5	.6	.6	.8	.6	.6
Working capital fund, Agricultural Research Center (unexpendable)										.3	
Research on strategic and critical agricultural materials							.3	.4	.4	.4	.7
Research on agricultural problems of Alaska							.1	.4	.7	.3	.3
Office of Experiment Stations:											
Payments to States for agricultural experiment stations	6.8	6.9	7.0	7.0	7.2	7.2	9.7	10.7	12.4	12.4	12.5
Salaries and expenses	.3	.3	.3	.3	.3	.4	.4	.4	.4	.4	.4
Bureau of Human Nutriation and Home Economics	.4	.5	.7	.9	1.0	1.1	1.2	1.6	1.8	1.5	1.5
Bureau of Animal Industry (excluding "Meat inspection" and "Foot-and-mouth disease eradication")	15.7	9.4	9.7	9.5	9.9	11.0	11.3	11.9	11.6	11.4	11.5
Meat inspection	5.4	7.7	8.2	9.4	9.4	10.4	[2] 5.0	12.6	12.8	12.8	13.4
Foot-and-mouth disease:											
Eradication and control program	1.3	.3	.3	.3	.3	10.8	[3] 30.5	[3] 34.0	([3])	([3])	[3] 32.7
Construction of research facilities								[4] .5			
Bureau of Dairy Industry	.8	.8	.9	.9	.9	1.2	1.3	1.5	1.6	1.6	1.6
Bureau of Agricultural and Industrial Chemistry	4.0	4.5	4.5	4.8	5.1	5.6	7.6	7.9	8.4	8.0	8.0
Bureau of Plant Industry, Soils, and Agricultural Engineering	6.5	6.3	6.3	6.5	6.6	8.5	10.0	11.1	10.9	10.8	10.8
Bureau of Entomology and Plant Quarantine (other than "Control of emergency outbreaks")	6.5	7.0	5.7	6.7	7.5	9.0	9.4	10.8	11.6	11.3	11.3
Control of emergency outbreaks of insects and plant diseases	2.7	2.1		3.0	1.9	1.9	1.6	2.0	3.3	[5] 2.1	[5] 2.1
Control of forest pests (including white pine blister-rust control)	1.1	2.1	2.2	2.4	3.3	6.5	4.7	4.6	7.4	[6] 5.1	[6] 6.0
Forest Service:											
Forest development roads and trails	2.8	3.9	4.3	4.2	7.0	12.6	11.1	10.0	10.4	10.4	17.5
Acquisition of lands for national forests	2.9	.3	.1	.1		2.6	.8	.5	.5	.4	.2
State and private forestry cooperation	2.8	4.9	7.2	7.1	8.2	9.1	9.9	9.9	10.1	10.8	10.8
Cooperative range improvements										.7	.7

See footnotes at end of table, p. 63.

TABLE 5.—*Appropriations and loan authorizations, fiscal years 1940, 1943 to 1951, and budget estimates, 1952*—Continued

[NOTE.—Figures in parentheses ( ) not included in totals. Amounts for years 1940 and 1943 to 1951 adjusted for comparability with the appropriation structure in the 1952 budget estimates.]

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Appropriations and loan authorizations to Department of Agriculture—Continued											
Forest Service—Continued											
Payments to States, roads and trails for States, and acquisition of land from national forest receipts	1.8	2.4	3.7	5.6	5.6	5.0	6.6	8.6	11.1	12.0	14.8
Other work, including protection and management of national forests and research	21.8	18.2	21.8	23.2	26.8	34.4	38.7	37.9	39.3	[7] 38.3	[7] 41.0
Emergency rubber project		19.0	13.0	5.4	4.1						
Flood control	3.0					2.1	3.0	6.0	9.5	6.1	[8] 8.9
Soil Conservation Service	27.7	25.3	25.0	30.7	35.6	46.1	40.6	49.7	54.4	54.9	54.3
Payments due counties, submarginal land program, Farm Tenant Act (permanent appropriation)		.1	.1	.2	.2	.2	.2	.3	.3	.2	.2
Water conservation and utilization projects (Wheeler-Case Act)		[9]	[9]	[9]	1.2	.7	[9]	[9]	[9]	.2	.5
Production and Market Administration:											
Agricultural conservation program (AAA):											
Direct appropriation (excluding special flax and seed programs)	485.4	444.7	400.2	290.1	300.6	257.5	223.1	145.0	257.0	256.5	285.0
Special flax program					29.7						
Special seed program				12.5	12.5	12.5					
Reappropriation from "Parity payments" and other balances	70.0				13.0	42.5					
Total, agricultural conservation program	555.4	444.7	400.2	302.6	355.8	312.5	223.1	145.0	257.0	256.5	285.0
Acreage allotments and marketing quotas	[10]	[10]	[10]	[10]	[10]	1.9	5.1	14.9	30.2	25.8	24.0
Parity payments	225.0	5.4	170.3								
Sugar Act program	47.9	47.4	63.9	52.5	48.4	53.5	55.0	72.0	60.0	63.8	73.3
Removal of surplus Agricultural Commodities (30 percent of customs receipts)	205.5	175.3	97.1	119.3	114.3	190.4	149.0	132.9	125.6	111.2	150.0
Less:											
Transfer to "National school lunch program"						−75.0	−65.0	−75.0			
Transfer to "International Wheat Agreement"											−76.8
Balance	205.5	175.3	97.1	119.3	114.3	115.4	84.0	57.9	125.6	111.2	73.2
National school lunch program: [11]											

National school lunch program: [11]											
Amounts obligated under or transferred from "Removal of surplus agricultural commodities"	(12.4)	(15.3)	(50.0)	(57.5)	(57.5)	75.0	65.0	75.0			
Direct appropriation						6.0	5.0		83.5	83.5	83.5
International Wheat Agreement (transfer from "Removal of surplus agricultural commodities")											[12] 76.8
Marketing services	5.6	6.3	6.5	6.8	6.9	10.0	9.4	10.0	10.4	10.8	11.4
War Food Administration (salaries and expenses)		.5	26.2	28.7	11.9						
Farm labor program (appropriated on a calendar-year basis)		26.1	30.0	20.0	25.0	17.0					
Commodity Exchange Authority	.6	.5	.4	.4	.3	.5	.5	.6	.6	.7	.7
Federal Crop Insurance Corporation (operating and administrative expenses)	5.8	8.4	3.5	3.4	8.3	7.3	5.0	4.5	5.1	7.1	8.2
Rural Electrification Administration:											
Administrative expenses	2.4	3.0	2.6	3.3	4.7	5.6	5.1	6.0	7.1	8.4	8.5
Rural electrification loans:											
Appropriated funds	40.0		20.0								
Authorizations to borrow		10.0		25.0	300.0	250.0	400.0	400.0	[13] 470.0	[14 15] 283.6	[15] 100.0
Rural telephone loans (authorization to borrow)									25.0	[16] 13.4	[16] 9.0
Farmers Home Administration:											
Loans (appropriations and borrowing authorizations)	178.4	159.3	142.5	120.4	158.9	143.7	82.3	91.5	129.4	147.5	153.0
Grants	26.3	4.0	.5	.9	.3				.6	.4	.2
Migratory labor camps	5.0	1.4									
Mortgage insurance fund							1.0				
Salaries and expenses	39.8	42.5	37.8	34.2	33.2	36.2	21.5	23.7	26.6	28.2	29.7
Farm Credit Administration:											
Salaries and expenses	3.3	2.4	.7	.6	.6	.6	.6	.5	.5	.6	.6
Assessments against member institutions of the Farm Credit System	1.6	2.0	2.9	2.7	2.3	2.6	2.5	2.1	2.2	2.3	2.3
Extension Service:											
Payments to States for agricultural extension work (including permanent appropriation)	18.5	18.9	18.9	18.9	23.4	27.4	27.5	30.7	31.8	31.8	31.9
Salaries and expenses	.7	.7	.7	.8	.8	.8	.8	.9	.9	.9	.9
Office of the Secretary	1.5	1.8	1.7	1.8	1.7	2.1	2.1	2.2	2.2	2.1	2.2
Working capital fund (unexpendable)			.4								
Office of Solicitor	1.7	1.9	1.9	1.9	2.1	2.4	2.1	2.2	2.4	2.5	2.5
Office of Foreign Agricultural Relations	.2	.3	.5	.5	.6	.7	.5	.6	.6	.6	.6
Office of Information	.9	1.0	1.0	.7	.7	1.0	1.1	1.2	1.3	1.3	1.3
Library	.4	.5	.6	.6	.6	.7	.7	.7	.7	.7	.7
Sugar Rationing Administration						[17] 4.3	1.0				
Penalty mail				3.2	3.2	3.2	3.5				
Deduct amounts included in above figures transferred for Pay Act costs						[18] −15.6		[18] −2.2	[18] −.7		
Total, above items	1,485.2	1,089.9	1,156.1	882.3	1,251.1	1,257.0	1,216.1	1,184.0	1,504.3	1,308.2	1,252.4

See footnotes at end of table, p. 63.

TABLE 5.—*Appropriations and loan authorizations, fiscal years 1940, 1943 to 1951, and budget estimates, 1952*—Continued

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 [1]	Budget estimates, 1952
Special appropriations to Secretary of the Treasury for Department of Agriculture programs:											
Commodity Credit Corporation: Restoration of capital impairment [19]	119.6	.....	.....	256.8	.....	.....	.....	.....	.....	.....	.....
Federal Crop Insurance Corporation: Subscriptions to capital stock	.....	.....	.....	30.0	.....	20.0	10.0	.....	.....	.....	.....
Farm Credit Administration:											
Payments to Federal land banks, reduction in interest rate of mortgages	29.7	24.8	21.8	.....	.....	.....	.....	.....	.....	.....	.....
Payments to Federal Farm Mortgage Corporation, reduction in interest rate of mortgages	7.4	9.0	7.4	.....	.....	.....	.....	.....	.....	.....	.....
Total, special items	156.7	33.8	29.2	286.8	.....	20.0	10.0	.....	.....	.....	.....
Grand total	1,641.0	1,123.7	1,185.3	1,169.1	1,251.1	1,277.0	1,226.1	1,184.0	1,504.3	1,308.2	1,252.4
CORPORATE ADMINISTRATIVE EXPENSE LIMITATIONS											
Commodity Credit Corporation	2.0	4.4	5.4	7.2	8.5	8.8	8.4	10.8	15.4	[20] 20.2	20.2
Federal Farm Mortgage Corporation	9.5	9.0	8.2	8.2	6.4	4.0	2.5	1.8	1.5	1.3	1.1
Federal Intermediate Credit Banks [21]	.....	.....	.....	.....	.....	1.6	1.1	1.3	1.4	1.5	1.5
Production Credit Corporations [21]	.....	.....	.....	.....	.....	1.6	1.4	1.3	1.3	1.4	1.4
Regional Agricultural Credit Corporation [21]	.....	.....	.....	.....	.....	.3	.2	.2	.....	.....	.....
Total, corporate administrative expense limitations	11.5	13.4	13.6	15.4	15.4	16.4	13.5	15.5	19.6	24.3	24.2

NOTE.—Details may not add to totals shown due to rounding.

[1] Represents net amounts available after reductions under sec. 1214 of the 1951 General Appropriation Act.

[2] The 1948 Agricultural Appropriation Act provided this amount as a working capital fund to be reimbursed from fees charged packers for total cost of meat inspection services effective July 1, 1947. The 1949 Agricultural Appropriation Act provided in lieu thereof a direct appropriation and carried to the general fund of the Treasury the unobligated balance remaining in the "Meat inspection fund."

[3] In addition, prior-year balances available. The 1952 budget proposes continuation of language (contained in the Appropriation Acts for 1949, 1950, and 1951) authorizing the Secretary to transfer from any funds available to the Department amounts necessary to finance the eradication program, subject to later reimbursement when an appropriation therefor is made. The estimate of $32,700,000 for 1952 is for the purpose of reimbursing the Commodity Credit Corporation for funds advanced in 1950 for this program pursuant to the foregoing cited authority.

[4] Appropriated in Second Deficiency Appropriation Act, 1949, for the purchase of an option on suitable land and preparation of plans and specifications for a laboratory, the total cost of which shall not exceed $25,000,000.

[5] Includes in both years $1,250,000 contingency fund to meet urgent needs as determined by the Secretary and the Bureau of the Budget.

[6] Includes $750,000 in 1951 and $2,000,000 in 1952 as a contingency fund under "Forest Pest Control Act" to meet urgent needs as determined by the Secretary and the Bureau of the Budget.

[7] Includes in both years $2,500,000 contingency fund under "Fighting forest fires" to meet urgent needs as determined by the Secretary and the Bureau of the Budget.

[8] Includes $250,000 for general basin investigations in the Arkansas, White, Red, and the New England-New York areas.

[9] Financed in these years from prior-year balances.

[10] Acreage allotments and marketing quotas were handled as a part of the agricultural conservation program in fiscal years 1940 through 1946, and administrative expenses for this program were not maintained separately from administrative expenses of the agricultural conservation program. Accordingly, amounts for acreage allotments and marketing quotas, fiscal years 1940, and 1943 through 1946, are included in the totals shown for those years for "Agricultural conservation program."

[11] The school-lunch program was carried on as a sec. 32 activity, 1940 through 1946; in 1947, 1948, and 1949 the program was conducted under the provisions of the National School Lunch Act, approved June 4, 1946, the Congress authorizing transfers from sec. 32 funds rather than direct appropriations for that purpose. A direct appropriation was made for 1950 and 1951 and a similar appropriation is proposed for 1952.

[12] To reimburse Commodity Credit Corporation for funds advanced in 1950 for this program.

[13] Includes $120,000,000 borrowed under the additional authorization of $150,000,000 contingent upon certification of need by the Secretary of Agriculture.

[14] Act authorizes additional borrowing authorization of not to exceed $150,000,000, including the uncommitted balance of $110,817,695 available as a carry-over from the fiscal year 1950, for loans upon certification of need by the Secretary of Agriculture.

[15] Due to carry-over of funds from prior years, on an available funds basis a loan program of $300,000,000 is planned for 1951 and $220,000,000 for 1952.

[16] Due to carry-over of funds from prior years, on an available funds basis a loan program of $30,000,000 is planned for 1951 and $14,000,000 for 1952.

[17] Funds transferred from the Office of Temporary Controls for administration of sugar price and ration controls beginning Apr. 1, 1947, pursuant to the Sugar Control Extension Act of 1947.

[18] Transferred from appropriations previously made to the Department and shown as deduction to avoid duplications in the totals for these years.

[19] Restoration of capital impairment as of June 30, 1945, 1946, and 1949, accomplished through cancellation of Commodity Credit Corporation notes held by the Secretary of the Treasury in lieu of appropriations for this purpose. The 1952 budget proposes that the restoration for the year ended June 30, 1950, also be effected by cancellation of notes.

[20] Includes pending supplemental estimate of $3,850,000.

[21] There were no legislative limitations on the amounts available for administrative expenses of these corporations prior to fiscal year 1947.

Tables 6 and 7 are summary and detailed expenditure tables.
(The tables referred to are as follows:)

TABLE 6.—*Summary of expenditures, fiscal years 1940, 1943 to 1950, and estimated expenditures, fiscal years 1951 and 1952* [1]

[In millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	Estimated 1951	Estimated 1952
Appropriations and loan authorizations to Department of Agriculture:											
Agricultural conservation and adjustment payment programs (includes conservation and use, Sugar Act, parity payments, etc.)	858.8	698.2	648.8	336.6	365.0	394.5	297.1	238.1	327.0	360.8	374.4
Removal of surplus agricultural commodities	143.9	113.0	96.7	70.3	74.8	77.3	51.0	75.6	96.0	92.3	75.2
International wheat agreement (transfer from "Removal of surplus agricultural commodities")											76.8
National school-lunch program						76.1	68.3	74.9	83.1	83.1	83.2
Marketing services (exclusive of Research and Marketing Act of 1946, title II)	5.4	5.6	6.5	6.1	6.7	9.4	9.1	9.7	10.2	11.2	11.2
War Food Administration, salaries and expenses		1.1	13.9	16.5	5.5	.5	.1				
Farm labor program		6.2	20.2	30.1	25.0	21.8	10.1	.1	.1		
Soil Conservation Service programs	31.8	24.8	26.3	29.5	35.9	44.7	42.8	49.6	54.5	54.9	55.5
Federal Crop Insurance Corporation, operating and administrative expenses	3.1	1.5	.9	.6	3.4	4.5	4.5	4.0	4.7	7.1	8.1
Farmers Home Administration programs	194.0	165.0	123.2	103.9	135.3	150.3	106.9	121.7	144.9	184.7	175.3
Disaster Loans, revolving fund								.9	29.9	12.7	−1.0
Rural electrification and rural telephones	100.9	17.1	20.9	42.8	91.4	198.1	251.1	327.2	293.5	311.6	268.5
Farm Credit Administration (other than special items below)	−2.9	68.3	2.9	−47.5	−53.2	−55.2	−8.0	−32.7	−1.6	−1.0	−.2
Crop and livestock research, and disease, insect, and pest control (exclusive of Research and Marketing Act of 1946, title II)	32.5	29.5	28.7	29.9	31.4	47.0	69.9	41.0	91.3	49.5	80.9
Research and Marketing Act of 1946 (title II)							1.1	4.6	5.7	7.8	6.0
Control of forest pests	1.2	1.7	2.1	2.4	2.9	5.4	5.0	4.3	4.9	6.6	6.5
Forestry	32.6	31.0	36.3	39.5	45.1	59.3	64.9	69.2	72.2	73.8	84.9
Emergency rubber project		17.4	11.6	4.8	3.8	.4					
Payments to States for experiment stations and extension service	25.3	25.7	25.7	25.7	30.3	33.8	36.0	40.7	43.4	44.7	44.4
Other items	18.1	7.5	42.1	17.7	19.7	31.2	26.0	32.6	34.5	38.9	35.8
Total, above items	1,444.7	1,213.4	1,106.6	708.7	823.1	1,099.1	1,035.9	1,061.1	1,294.5	1,338.5	1,385.8
Special appropriations to Secretary of the Treasury for Department of Agriculture programs											

Special appropriations to Secretary of the Treasury for Department of Agriculture programs:											
Commodity Credit Corporation, appropriations for restoration of capital impairment	119.6			256.8							
Federal Crop Insurance Corporation, subscriptions to capital stock	3.0	15.0	5.0		30.0	20.0	10.0				
Farm Credit Administration activities	36.4	83.1	20.6	−62.0	−110.7	−76.9					
Total, special items	159.0	98.0	25.6	194.8	−80.7	−56.9	10.0				
Grand total	1,603.7	1,311.4	1,132.1	903.5	742.3	1,042.2	1,045.9	1,061.1	1,294.5	1,338.5	1,385.8

[1]Amounts shown are based on figures reflected in the budgets for the fiscal years 1942 and 1945 to 1952, inclusive, and in prior years have been adjusted, where necessary, for comparability with the appropriation structure and organization of the Department as shown in the 1952 budget. For a reconciliation of the totals shown above for 1950, 1951, and 1952 with the totals shown for the Department of Agriculture in the 1952 budget see footnote 1 on table 7, p. 58.

NOTE.—Details may not add to totals shown due to rounding.

TABLE 7.—*Expenditures, fiscal years 1940, 1943 to 1950, and estimated expenditures, fiscal years 1951 and 1952* [1]

[In millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	Estimated, 1951	Estimated, 1951
Appropriations and loan authorizations to Department of Agriculture:											
Research and Marketing Act of 1946 (title II)							1.1	4.6	5.7	7.8	6.0
Bureau of Agricultural Economics	4.2	3.7	4.1	4.3	4.7	4.9	4.4	5.1	5.4	5.4	5.4
Agricultural Research Administration:											
Office of Administrator	.3	.5	.6	.3	.3	.4	.5	.5	.7	.7	.6
Working capital fund, Agricultural Research Center [2]										(1.5)	(1.5)
Research on strategic and critical agricultural materials							.2	.4	.3	.4	.7
Research on agricultural problems of Alaska							.1	.2	.5	.7	.3
Office of Experiment Stations:											
Payments to States for agricultural experiment stations	6.8	6.9	6.9	7.0	7.2	7.2	9.6	10.5	12.2	12.4	12.5
Salaries and expenses	.3	.3	.3	.3	.3	.4	.4	.4	.4	.4	.4
Bureau of Human Nutrition and Home Economics	.4	.5	.6	.7	.9	1.1	1.1	1.5	1.7	1.4	1.4
Bureau of Animal Industry, excluding meat inspection and foot-and-mouth disease eradication	10.0	8.1	8.5	8.9	8.5	10.7	10.7	11.2	11.9	10.8	11.3
Meat inspection	5.4	7.0	9.1	8.9	9.3	10.5	[3] 1.3	10.3	12.7	12.7	13.4
Foot-and-mouth disease eradication [4]						9.2	29.4	−5.5	40.6	1.6	32.7
Bureau of Dairy Industry	.7	.8	.8	.8	.9	1.2	1.2	1.5	1.6	1.6	1.6
Bureau of Agricultural and Industrial Chemistry	4.2	4.7	3.8	4.4	4.8	5.5	6.5	7.7	8.1	7.8	7.9
Bureau of Plant Industry, Soils, and Agricultural Engineering	6.4	7.3	6.2	6.0	6.6	8.0	9.3	10.8	10.9	10.7	10.7
Bureau of Entomology and Plant Quarantine (other than control of emergency outbreaks)	6.7	6.0	6.3	6.3	7.2	8.7	9.0	10.6	11.4	11.0	11.2
Control of emergency outbreaks of insects and plant diseases)	3.5	1.3	1.6	2.2	1.9	1.8	1.5	1.7	3.2	2.4	2.1
Control of forest pests (including white pine blister rust control)	1.2	1.7	2.1	2.4	2.9	5.4	5.0	4.3	4.9	6.6	6.5
Forest Service:											
Forest development roads and trails	3.7	3.2	4.5	4.8	5.8	12.7	10.7	10.3	10.2	11.1	16.6
Acquisition of lands for national forests	3.2	1.0	.5	.1		.5	1.0	1.6	.7	.5	.4
State and private forestry cooperation	2.6	3.9	6.7	7.2	7.3	9.6	10.1	10.0	10.3	10.8	10.8
Cooperative range improvements										.6	.7
Payments to States, roads and trails for States, and acquisition of lands from national forest receipts	1.8	2.1	3.1	5.3	5.9	4.7	6.6	7.9	9.9	12.3	14.7
Other work, including protection and management of national forests and reserch	21.3	20.8	21.5	22.1	26.1	31.8	36.5	39.4	41.1	38.5	41.7
Emergency rubber project		17.4	11.6	4.8	3.8	.4					
Flood control	2.3	.4	.1	.1	.6	2.6	3.8	5.9	6.7	10.3	7.0
Soil Conservation Service	31.8	24.3	26.0	28.7	34.8	44.0	42.0	49.0	53.8	54.1	54.8
Payments due counties, submarginal land program, Farm Tenant Act		.1	.1	.1	.3		.4	.3	.3	.2	.2
Water conservation and utilization projects (Wheeler-Case											

Water conservation and utilization projects (Wheeler-Case Act)		.4	.2	.7	.8	.7	.4	.3	.4	.6	.5
Production and Marketing Administration:											
Agricultural conservation program (AAA)	548.2	387.1	395.1	255.0	274.4	302.3	212.1	148.6	212.7	247.0	254.0
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938 [5]		14.4	12.1	10.5	11.2	13.1	6.4	7.2	11.0	11.2	11.0
Local administration, sec. 388, Agricultural Adjustment Act of 1938 [5]	43.1	43.5	28.1	28.1	25.8	23.6	18.3	26.2	43.7	41.5	39.4
Acreage allotments and marketing quotas [6]								.1	.1	.3	.3
Parity payments	217.4	197.6	163.0	.2							
Agricultural Adjustment Act of May 12, 1933, and related acts	2.1	.1									
Sugar Act program	48.0	55.5	50.5	42.8	53.6	55.5	60.3	56.0	59.5	60.8	69.7
Removal of surplus agricultural commodities	143.9	113.0	96.7	70.3	74.8	77.3	51.0	75.6	96.0	92.3	75.2
National school-lunch program [7]						76.1	68.3	74.9	83.1	83.1	83.2
International wheat agreement											[8] 76.8
Marketing services	5.4	5.6	6.5	6.1	6.7	9.4	9.1	9.7	10.2	11.2	11.2
Perishable Agricultural Commodities Act fund	.2	.2	.2	.2	.2	.2	.3	.3	.3	.4	.4
War Food Administration, salaries and expenses		1.1	13.9	16.5	5.5	.5	.1				
Farm labor program		6.2	20.2	30.1	25.0	21.8	10.0	.1	.1		
Emergency supplies for Territories and possessions [9]		−10.6	21.6	−4.1	−5.3	−.5					
Commodity Exchange Authority	.6	.5	.3	.4	.3	.5	.5	.6	.6	.7	.6
Federal Crop Insurance Corporation, operating and administrative expenses	3.1	1.5	.9	.6	3.4	4.5	4.5	4.0	4.7	7.1	8.1
Rural Electrification Administration	100.9	17.1	20.9	42.8	91.4	198.1	251.1	327.2	293.5	311.6	268.5
Farmers Home Administration	194.0	165.0	123.2	103.9	135.3	150.3	106.9	121.7	144.9	184.7	175.3
Disaster loans, etc., revolving fund								.9	29.9	12.7	[10] −1.0
Farm Credit Administration:											
Salaries and expenses	3.2	3.3	2.6	3.3	3.4	3.5	3.0	3.1	2.8	2.8	2.9
Subscriptions to capital stock and paid-in surplus of Fram Credit Administration institutions [11]	.2	68.5	2.7	−49.1	−56.5	−57.4	−11.5	−35.4	−4.5	−3.0	−3.0
Net expenditures in revolving funds for financing credit activities	−6.3	−3.5	−2.4	−1.7	−.1	−1.3	.5	−.4	−.1	−.8	−.1
Extension Service:											
Payments to States for agricultural extension work	18.5	18.8	18.8	18.7	23.1	26.6	26.4	30.2	31.2	32.3	31.9
Salaries and expenses	.7	.7	.7	.7	.8	.8	.8	.9	.9	.9	.9
Office of the Secretary	1.5	1.9	1.8	1.8	1.9	2.0	2.1	2.2	2.2	2.1	2.2
Working capital fund [3]			(1.0)	(1.0)	(1.0)	(1.3)	(1.2)	(1.4)	(1.4)	(1.4)	(1.4)
Office of the Solicitor	1.8	1.9	2.0	2.0	2.2	2.4	2.0	2.2	2.3	2.5	2.4
Office of Foreign Agricultural Relations	.2	.3	.5	.4	.6	.7	.5	.5	.6	.6	.6
Office of Information	.8	1.0	1.1	1.0	1.0	1.0	1.1	1.2	1.1	1.4	1.3
Library	.4	.5	.6	.6	.6	.6	.7	.7	.7	.7	.7
Food and feed conservation program							.3	.2			
Replacement of personal property sold [12]						.9	2.1	1.8	1.0	1.2	.9
Sugar rationing administration						1.9	2.7				
Penalty mail costs				1.4	2.8	2.7	3.4	.7			
Total, above items	1,444.7	1,213.4	1,106.6	708.7	823.1	1,099.1	1,035.9	1,061.1	1,294.5	1,338.5	1,385.8

See footnotes at end of table, p. 69.

TABLE 7.—*Expenditures, fiscal years 1940, 1943 to 1950, and estimated expenditures, fiscal years 1951 and 1952* [1]—Continued

[Millions of dollars]

Item	1940	1943	1944	1945	1946	1947	1948	1949	1950	Estimated, 1951	Estimated, 1951
Special appropriations to Secretary of the Treasury for Department of Agriculture programs:											
Commodity Credit Corporation: Appropriations for restoration of capital impairment [13]	119.6			256.8							
Federal Crop Insurance Corporation: Subscriptions to capital stock [14]	3.0	15.0	5.0		30.0	20.0	10.0				
Farm Credit Administration:											
Federal land banks:											
Subscriptions to capital stock revolving fund [11]		54.1	−1.3	−2.3	−77.9	−40.0					
Subscriptions to paid-in surplus revolving fund [11]	.6	−4.2	−6.5	−65.3	−32.8	−36.9					
Reduction in interest rate on mortgages	28.7	24.4	21.2	4.2							
Federal Farm Mortgage Corporation: Reduction in interest rate on mortgages	7.1	8.8	7.2	1.4							
Total, special items	159.0	98.0	25.6	194.8	−80.7	−56.9	10.0				
Grand total	1,603.7	1,311.4	1,132.1	903.5	742.3	1,042.2	1,045.9	1,061.1	1,294.5	1,338.5	1,385.8

NOTE. Details may not add to totals shown due to rounding.

[1] Amounts shown for 1950, 1951, and 1952 are based on the expenditures included for the Department of Agriculture in the 1952 budget (pp. 344–353). Expenditures for prior years are based on figures shown in the budgets for the fiscal years 1942 and 1945 to 1951, inclusive. The amounts shown have been adjusted when necessary in each year (both as to individual items and totals, and on an estimated basis in those instances where, due to the basis on which accounts were established in particular years, exact information for making adjustments is not available) for comparability with the appropriation structure and organization of the Department as shown in the 1952 budget. The grand totals shown above for 1950, 1951, and 1952 are reconcilable to the totals shown for the Department of Agriculture in the 1952 budget as follows:

[Millions of dollars]

	1950	Estimated, 1951	Estimated, 1952
Totals shown for Department of Agriculture in 1952 budget	2,955.7	1,182.7	1,629.3
Deduct: Net checking account expenditures of agriculture corporations (details on pp. 350–351, 1952 budget) adjusted to eliminate transactions representing repayment by Federal intermediate credit banks in 1950 of 0.5 million dollars to revolving fund for paid-in surplus	1,654.4	−160.4	241.8
Expenditures in general and special accounts from anticipated supplemental appropriations under existing legislation		4.8	1.7
Expenditure transactions of Farmers Home Administration representing transfers of unused special account balances to miscellaneous receipts	6.8		
Add: Expenditures for cortisone research transferred in 1952 estimates from Public Health Service		.2	
Grand total, as shown above	1,294.5	1,338.5	1,385.8

[2] Since the expenditures under this working capital fund are reimbursable and are therefore included in the amounts shown for the bureaus and agencies for which the work is performed or services rendered, the amounts shown opposite this item indicate the volume of work financed in this manner and are not included in the totals.

[3] The Agricultural Appropriation Act, 1948, provided $5,000,000 as a working capital fund to be reimbursed from fees charged packers for total cost of meat-inspection services effective July 1, 1947. The amount shown in 1948 represents the total amount expended in performing inspection services minus the total amount of fees collected from packers or in other words, the unreimbursed expenditures as of June 30, 1948, for inspection services for which bills had been rendered. The 1949 Agricultural Appropriation Act provided in lieu thereof a direct appropriation and carried to the General Fund of the Treasury the unobligated balance remaining in the meat-inspection fund.

[4] This program is being financed by advances from the Commodity Credit Corporation in accordance with authority (first contained in the Supplemental Appropriation Act, 1948 and continued in the 1949, 1950, and 1951 Agricultural Appropriation Acts) to use for this program any funds available in the Department. Similar authority is being proposed in the 1952 budget. The advances are recorded as minus expenditures in this account and the negative amount shown for 1949 indicates an excess of advances made by CCC over funds expended for the program. The amount for 1950 includes the repayment to CCC of $34,000,000, for funds advanced in the fiscal year 1949, from an appropriation made therefor by the Third Deficiency Appropriation Act, 1949. The figure for 1951 reflects expenditures from unexpended balances of prior years funds. The amount shown above for 1952 represents the repayment to CCC of amounts advanced for the 1950 program, for which an appropriation of 32.7 million dollars is requested in the 1952 budget. No estimates of expenditures for 1951 and 1952 operations are included pending the availability of information necessary to determine the requirements for each of these fiscal years.

[5] Amounts for years prior to 1948 include expenditures from funds transferred to these accounts from Moisture content and grade determination. Amounts available for this purpose are now being expended through a special deposit account and are not included in this table for 1949 and subsequent years.

[6] The amounts reflected for this item represent printing and reproduction costs paid directly from this appropriation. Most of the funds available for this program are transferred to the consolidated accounts for Administrative expenses, sec. 392 and Local administration, sec. 388, and the expenditures are reflected in the amounts shown for those accounts.

[7] Prior to 1947, the first year the National School Lunch Act was in effect, the school lunch program was financed by allotments from sec. 32 funds, as follows: 1940, $12,350,000; 1941, $15,321,000; 1942, $23,077,000; 1943, $23,464,000; 1944, $32,514,000; 1945, $47,844,000; and 1946, $55,938,322. For 1947, 1948, and 1949, funds were transferred from sec. 32 for the School Lunch Act, in addition to appropriations of $6,000,000 in 1947 and $5,000,000 in 1948. A direct appropriation was made for this program in 1950, 1951, and is being proposed for 1952.

[8] Estimated expenditures to repay Commodity Credit Corporation for funds advanced in 1950 for this program.

[9] This was a revolving fund. Minus signs indicate excess of repayments over disbursements.

[10] Minus figure indicates excess of collections; disaster loans in 1950 and 1951 were abnormally high.

[11] These items reflect the results of operations of certain revolving funds (including agricultural marketing revolving fund; Farm Credit Administration revolving fund; loans to agricultural corporations, revolving fund; Federal Intermediate Credit banks revolving fund; regional agricultural credit corporations, revolving fund for capital stock; subscriptions to capital stock and paid-in surplus, Federal land banks; and subscriptions to capital stock, Federal Farm Mortgage Corporation). Minus signs indicate that receipts were, or are estimated to be, in excess of expenditures.

[12] Expenditures from the proceeds of sale of personal property which are available, in accordance with law, for the acquisition of similar items.

[13] Restoration of CCC capital impairment effected by appropriations in the fiscal years 1940, 1942, and 1945. Restoration of CCC capital impairment as of June 30, 1945, 1946, and 1949 accomplished through cancellation of CCC notes held by the Secretary of the Treasury in lieu of appropriations for this purpose. The 1952 budget proposes that the restoration for the year ended June 30, 1950, also be effected by cancellation of notes.

RECEIPTS FROM DEPARTMENT OF AGRICULTURE ACTIVITIES

Mr. ROBERTS. Table 8 is a table of receipts to the United States Treasury arising out of Department of Agriculture activities. You will notice that it totals in 1951, $287,500,000. In 1952 total receipts are estimated at just under $300,000,000.

(The table referred to is as follows:)

TABLE 8.—*Receipts to U. S. Treasury arising from Department of Agriculture activities, fiscal year 1950 and estimated fiscal years 1951 and 1952*

Classification and source	Fiscal year 1950—Actual				Fiscal year 1951—Estimated				Fiscal year 1952—Estimated			
	General [1]	Special [2]	Trust [3]	Total	General [1]	Special [2]	Trust [3]	Total	General [1]	Special [2]	Trust [3]	Total
Collections on loans and recoveries of other assets:												
Collections of principal and interest on:												
Farmers Home Administration loans	$98,184,874			$98,184,874	$111,842,200			$111,842,200	$120,814,000			$120,814,000
Rural Electrification Administration loans	40,699,391			40,699,391	44,500,000			44,500,000	50,000,000			50,000,000
Sale of lands and buildings, including proceeds from sale of assets of labor supply centers	532,362			532,362	131,000			131,000	54,000			54,000
Proceeds from assets liquidated pursuant to Farmers Home Administration Act of 1946	281,269			281,269	260,000			260,000	260,000			260,000
Total	139,697,896			139,697,896	156,733,200			156,733,200	171,128,000			171,128,000
Receipts from rentals and operations, and miscellaneous reimbursements and collections:												
Business on the national forests—primarily timber sales and grazing fees	21,772,080	[4] $11,822,534		33,594,614	26,245,080	[4] $15,384,920		41,630,000	32,743,676	[4] $18,886,324		51,630,000
Deposits by timber purchasers for brush disposal						1,345,000		1,345,000		1,345,000		1,345,000
Receipts from Tongass National Forest held pending determination of land ownership		79,673		79,673		125,000		125,000		125,000		125,000
Use of lands held under Title III of the Bankhead-Jones Farm Tenant Act	762,862	[4] 254,287		1,017,149	753,750	[4] 251,250		1,005,000	753,750	[4] 251,250		1,005,000
Fees and reimbursements for in-												

Fees and reimbursements for inspection and grading of farm products; and rent of Government-owned food processing plants and other facilities	2,017,115			2,017,115	1,521,400	300,000		1,821,400	1,515,450	350,000		1,865,450
Sales of agricultural products not required in connection with the work of the Department; and reimbursements for professional and scientific services rendered	1,914,621			1,914,621	1,479,300			1,479,300	1,474,300			1,474,300
Fines and penalties under commodity marketing quotas, and other violations	3,692,539			3,692,539	783,100			783,100	1,569,500			1,569,500
Miscellaneous services, gifts, forfeitures, sales, and reimbursements	2,499,092			2,499,092	1,229,600			1,229,600	906,800			906,800
Assessments for examinations and supervisory services rendered agencies of the farm credit system		2,672,780		2,672,780		2,325,000		2,325,000		2,360,000		2,360,000
Proceeds from sale of motor vehicles and other equipment for use in purchasing similar equipment		1,096,742		1,096,742		855,000		855,000		870,000		870,000
Total	32,658,309	15,926,016		48,584,325	32,012,230	20,586,170		52,598,400	38,963,476	24,187,574		63,151,050
Trust fund receipts:												
Contributions from private cooperators for various activities on national and private forest lands			$6,190,780	6,190,780			$4,500,000	4,500,000			$4,500,000	4,500,000
Fees received for inspection and grading of farm products upon application of interested parties			6,164,093	6,164,093			5,883,000	5,883,000			5,900,000	5,900,000
State rural rehabilitation corporations, deposits for rehabilitation purposes in the respective States			13,611,116	13,611,116			9,800,000	9,800,000			7,000,000	7,000,000
Receipts from producers for the determination of the grade and moisture content of agricultural commodities used as basis for Commodity Credit Corporation loans			400,000	400,000								
Receipts for miscellaneous special services, contributions, collections, etc			818,383	818,383			889,600	889,600			865,200	865,200
Total			27,184,372	27,184,372			21,072,600	21,072,600			18,265,200	18,265,200

See footnotes at end of table, p. 72.

TABLE 8.—*Receipts to U. S. Treasury arising from Department of Agriculture activities, fiscal year 1950 and estimated fiscal years 1951 and 1952*—Continued

Classification and source	Fiscal year 1950—Actual				Fiscal year 1951—Estimated				Fiscal year 1952—Estimated			
	General [1]	Special [2]	Trust [3]	Total	General [1]	Special [2]	Trust [3]	Total	General [1]	Special [2]	Trust [3]	Total
Other receipts:												
Interest paid to Treasury on CCC borrowings	$30,557,154			$30,557,154	$44,850,000			$44,850,000	$44,400,000			$44,400,000
Interest paid to Treasury on CCC capital stock	2,000,000			2,000,000	1,875,000			1,875,000	1,875,000			1,875,000
Interest paid to Treasury on bonds, Federal Farm Mortgage Corporation	178			178								
Dividends paid to Treasury on Federal Farm Mortgage Corporation capital stock	17,000,000			17,000,000	10,000,000			10,000,000				
Federal Intermediate Credit Bank franchise tax paid to Treasury	260,666			260,666	394,000			394,000	262,000			262,000
Total	49,817,998			49,817,998	57,119,000			57,119,000	46,537,000			46,537,000
Grand total	222,174,203	$15,926,016	$27,184,372	265,284,591	245,864,430	$20,586,170	$21,072,600	287,523,200	256,628,476	$24,187,574	$18,265,200	299,081,250

[1] Revenue and nonrevenue receipts available to the Treasury for general expenditures of the Government.
[2] Revenue and nonrevenue receipts deposited in the Treasury for specific purposes, pursuant to various legislative authorizations.
[3] Receipts deposited in trust in the Treasury for expenditure by the Department, as trustee, for specified purposes.
[4] Represents the portion of the total receipts from national forests available for (1) 25 percent fund for payments to States for benefit of roads and schools, (2) 10 percent fund for construction and maintenance of roads and trails in States from which proceeds are derived, and (3) appropriations from forest receipts for acquisition of lands.
[5] For payment to counties in which such lands are located.

OBLIGATIONS FOR RESEARCH

Mr. ROBERTS. Table 9 is a table of estimated obligations for research, regular funds, fiscal years 1940, 1943 to 1951, and budget estimates, 1952.

(The table referred to is as follows:)

TABLE 9.—*Estimated obligations for research, regular funds, fiscal years 1940, 1943–51, and budget estimates, 1952* [1]

[In thousands of dollars]

Bureau or activity	1940	1943	1944	1945	1946	1947	1948	1949	1950	1951 (preliminary)	Budget estimates, 1952
Agricultural Research Administration:											
Office of Administrator	137	265	291	310	324	504	606	582	763	588	587
Research on agricultural problems of Alaska							97	421	661	280	280
Office of Experiment Stations (exclusive of payments to States, shown below)	273	282	305	302	330	414	429	519	557	558	550
Bureau of Human Nutrition and Home Economics	372	496	614	749	960	1,115	1,205	1,601	1,762	1,478	1,478
Bureau of Animal Industry	1,765	1,823	2,040	2,096	2,115	2,510	2,966	3,630	3,793	[2] 3,425	[2] 3,429
Bureau of Dairy Industry	748	773	858	878	908	1,175	1,299	1,462	1,596	1,569	1,569
Bureau of Agricultural and Industrial Chemistry	3,946	4,596	4,694	4,707	4,956	5,523	7,451	7,835	8,335	8,130	8,384
Bureau of Plant Industry, Soils, and Agricultural Engineering	6,293	6,393	6,733	6,524	6,585	8,287	9,666	10,666	10,915	10,781	10,866
Bureau of Entomology and Plant Quarantine	2,237	2,201	2,239	2,325	2,415	2,950	3,189	3,712	4,025	4,061	3,908
Total, Agricultural Research Administration (exclusive of "Payments to States and Territories," shown below)	15,774	16,829	17,774	17,891	18,593	22,478	26,908	30,428	32,407	30,870	31,051
Research and Marketing Act of 1946, title II							1,145	3,019	3,935	3,798	3,582
Bureau of Agricultural Economics	1,495	1,210	1,317	1,297	1,319	1,270	1,321	1,537	1,613	1,556	1,553
Forest Service	2,256	2,464	2,194	2,340	3,151	5,240	4,732	5,211	5,305	5,220	5,345
Soil Conservation Service	1,713	1,436	1,309	1,285	1,275	1,399	1,127	1,716	1,515	1,491	1,489
Production and Marketing Administration	259	216	266	250	228	415	431	493	572	635	664
Farm Credit Administration	207	185	173	175	187	227	209	296	316	361	361
Office of Foreign Agricultural Relations	[3]	[3]	[3]	[3]	[3]	[3]	[3]	232	201	207	207
Total, all items above	21,704	22,340	23,033	23,238	24,753	31,029	35,873	42,932	45,864	44,138	44,252
Payments to States and Territories for experiment station research under Hatch, Adams, Purnell, and Bankhead-Jones Acts and sec 9, Research and Marketing Act of 1946	6,849	6,926	7,001	7,001	7,206	7,206	9,627	10,554	12,256	12,266	12,304
Grand total	28,553	29,266	30,034	30,239	31,959	38,235	45,500	53,486	58,120	56,404	56,556

[1] Amounts adjusted for comparability with the appropriation structure in the 1952 budget, necessitating rough approximations in making certain past-year adjustments.
[2] No estimates are included for 1951 and 1952 for short-term research on foot-and-mouth disease pending availability of information necessary to determine requirements of the foot-and-mouth-disease program in these fiscal years.
[3] Data for the years 1940 and 1943–48 not available on a comparable basis with data for 1949 and subsequent years.

Mr. WHITTEN. We are glad to have those in the record, Mr. Roberts.

AVERAGE ANNUAL POSITIONS

Mr. ROBERTS. Mr. Chairman, we will leave with the committee, and you may put them in the record if you desire, two tables on man-years, or average annual positions, which will give you information on the man-years in the budget. The first is broken down on a subappropriation basis for 1950, 1951, and 1952, with a comparison between 1951 and 1952. The second table, an historical one, breaks down by subappropriation the man-years for each year from 1943 through 1952.

This one also provides a breakdown between permanent employees and all others.

Mr. Reid, who is here, can speak on employment or any other personnel matters you may wish. He has some employment tables he would like to present to the committee, similar to those you have had in prior years on employment in the Department of Agriculture.

He will answer any questions you may have.

Mr. WHITTEN. We would like to have these tables inserted in the record.

(The tables referred to are as follows:)

Average annual positions in appropriations and other funds, fiscal years 1950, 1951, and 1952

[Based on 1952 budget schedules]

Bureau or item	1950	1951 (estimated)	1952 (estimated)	Increase or decrease 1952 compared with 1951
Research and Marketing Act of 1946 (title II) (appropriation)	685	673	618	−55
Bureau of Agricultural Economics:				
Economic investigations	512	500	500	
Crop and livestock estimates	642	642	642	
Total appropriations	1,154	1,142	1,142	
Other funds	44	60	4	−56
Total	1,198	1,202	1,146	−56
Agricultural Research Administration:				
Office of Administrator:				
Appropriation	481	212	210	−2
Other funds	1	233	233	
Total	482	445	443	−2
Research on strategic and critical agricultural materials (appropriation)	63	67	132	+65
Research on agricultural problems of Alaska (appropriation)	27	39	39	
Office of Experiment Stations:				
Salaries and expenses	111	97	86	−11
Payments to States, Hawaii, Alaska, and Puerto Rico	25	27	27	
Total appropriations	136	124	113	−11
Bureau of Human Nutrition and Home Economics (appropriation)	338	280	269	−11

Average annual positions in appropriations and other funds, fiscal years 1950, 1951, and 1952—Continued

[Based on 1952 budget schedules]

Bureau or item	1950	1951 (estimated)	1952 (estimated)	Increase or decrease 1952 compared with 1951
Agricultural Research Administration—Continued				
Bureau of Animal Industry:				
Salaries and expenses:				
Animal research	791	785	781	−4
Animal disease control and eradication	1,285	1,269	1,239	−30
Marketing agreements, hog cholera virus and serum	12	12	12	
Meat inspection	3,232	3,171	3,322	+151
Total, salaries and expenses	5,320	5,237	5,354	+117
Eradication of foot-and-mouth and other contagious diseases of animals and poultry	1,996	(1)	(1)	
Total appropriations	7,316	5,237	5,354	+117
Other funds	5	7	3	−4
Total	7,321	5,244	5,357	+113
Bureau of Dairy Industry (appropriation)	313	315	310	−5
Bureau of Agricultural and Industrial Chemistry:				
Appropriation	1,549	1,482	1,477	−5
Other funds	17			
Total	1,566	1,482	1,477	−5
Bureau of Plant Industry, Soils, and Agricultural Engineering:				
Salaries and expenses:				
Plant, soil, and agricultural engineering research	2,024	1,998	1,983	−15
National Arboretum	41	34	38	+4
Total appropriation	2,065	2,032	2,021	−11
Other funds	187	51	4	−47
Total	2,252	2,083	2,025	−58
Bureau of Entomology and Plant Quarantine:				
Salaries and expenses:				
Insect investigations	731	740	710	−30
Insect and plant disease control	1,075	990	979	−11
Foreign plant quarantines	525	524	579	+55
Total, salaries and expenses	2,331	2,254	2,268	+14
Control of emergency outbreaks of insects and plant diseases	223	176	143	−33
Total appropriations	2,554	2,430	2,411	−19
Other funds	137	112	57	−55
Total	2,691	2,542	2,468	−74
Control of forest pests:				
Forest Pest Control Act	242	478	129	−349
White-pine blister rust	884	833	837	+4
Total appropriations	1,125	1,311	966	−345
Forest Service:				
Salaries and expenses:				
National forest protection and management	6,282	6,205	7,109	+904
Fighting forest fires	1,661	1,081	808	−273
Forest research	1,038	982	1,008	+26
Total, salaries and expenses	8,981	8,268	8,925	+357
Forest development roads and trails	2,063	2,383	3,025	+642
State and private forestry cooperation	148	169	169	
Acquisition of lands for national forests:				
Weeks Act	12	7	4	−3
Superior National Forest	1	4	4	

[1] Pending the availability of information necessary to determine the requirements of the foot-and-mouth disease program, it is not possible to forecast at this time the total average annual positions that will be required in 1951 and 1952.

Average annual positions in appropriations and other funds, fiscal years 1950, 1951, and 1952—Continued

[Based on 1952 budget schedules]

Bureau or item	1950	1951 (estimated)	1952 (estimated)	Increase or decrease 1952 compared with 1951
Forest Service—Continued				
Acquisition of lands (receipt limitation)	3	3	3	
Cooperative range improvements (receipt limitation)		112	120	+8
Expenses and refunds, brush disposal		30	418	+388
Emergency reconstruction and repair, flood damage	292			
Roads and trails for States, national forests fund (permanent)	378	504	630	+126
Total appropriations	11,878	11,480	13,298	+1,818
Other funds	1,812	1,968	1,330	−638
Total	13,690	13,448	14,628	+1,180
Flood control (appropriation)	1,279	1,289	1,228	−61
Soil Conservation Service:				
Salaries and expenses	12,067	12,039	11,825	−214
Water conservation and utilization projects	56	81	85	+4
Total appropriations	12,123	12,120	11,910	−210
Other funds	28	66	55	−11
Total	12,151	12,186	11,965	−221
Production and Marketing Administration:				
Conservation and use of agricultural land resources	1,030	983	972	−11
Acreage allotments and marketing quotas	988	989	960	−29
Sugar Act	204	207	206	−1
Removal of surplus agricultural commodities	708	758	743	−15
National School Lunch Act	278	296	295	−1
Marketing services	2,392	2,356	2,538	+182
Supply and distribution of farm labor	8			
Total appropriations	5,608	5,589	5,714	+125
Commodity Credit Corporation (corporate administrative expense limitation)	4,059	4,641	4,535	−106
Other funds	2,123	2,090	2,072	−18
Total	11,790	12,320	12,321	+1
Commodity Exchange Authority (appropriation)	100	116	128	+12
Federal Crop Insurance Corporation (appropriation)	667	821	1,011	+190
Rural Electrification Administration (appropriation)	1,203	1,383	1,380	−3
Farmers Home Administration:				
Appropriations	5,915	6,342	6,713	+371
Other funds	454	772	642	−130
Total	6,369	7,114	7,355	+241
Farm Credit Administration:				
Appropriation	468	478	469	−9
Corporate administrative expense limitations:				
Federal intermediate credit banks	269	297	287	−10
Production credit corporations	182	179	176	−3
Total, corporate administrative expense limitations	451	476	463	−13
Total	919	954	932	−22
Extension Service:				
Salaries and expenses	153	150	148	−2
Payments to States, Hawaii, Alaska, and Puerto Rico	47	49	48	−1
Total appropriations	200	199	196	−3
Other funds	4	3		−3
Total	204	202	196	−6

Average annual positions in appropriations and other funds, fiscal years 1950, 1951, and 1952—Continued

[Based on 1952 budget schedules]

Bureau or item	1950	1950 (estimated)	1952 (estimated)	Increase or decrease 1952 compared with 0950
Office of the Secretary:				
Appropriation	409	385	388	+3
Other funds	191	185	185	----------
Total	600	570	573	+3
Office of the Solicitor:				
Appropriation	494	527	516	−11
Other funds	2	2	----------	−2
Total	496	529	516	−13
Office of Foreign Agricultural Relations:				
Appropriation	143	137	136	−1
Other funds	104	[1]	----------	−1
Total	247	138	136	−2
Office of Information:				
Appropriation	154	135	133	−2
Other funds	31	32	----------	−32
Total	185	167	133	−34
Library:				
Appropriation	181	173	169	−4
Other funds	9	9	9	----------
Total	190	182	178	−4
Grand total	68, 288	67, 226	68, 043	+817
Total appropriations	58, 629	56, 518	58, 451	+1, 933
Total corporate administrative expense limitations	4, 510	5, 117	4, 998	−119
Total other funds	5, 149	5, 591	4, 594	−997
Grand total	68, 288	67, 226	68, 043	+817

Average annual positions, permanent and other (man-years) 1943–52

[Based on budget schedules. Adjusted for comparability with the 1952 appropriation structure]

	1943	1944	1945	1946	1947	1948	1949	1950	1951 estimate	1952 estimate
Research and Marketing Act of 1946, title II:										
Permanent	------	------	------	------	------	191	544	632	622	572
All other	------	------	------	------	------	31	42	53	51	46
Total	------	------	------	------	------	222	586	685	673	618
Bureau of Agricultural Economics:										
Permanent	1,446	1,283	1,345	1,327	1,232	1,053	1,113	1,119	1,124	1,069
All other	294	285	75	96	76	50	58	79	78	77
Total	1,740	1,568	1,420	1,423	1,308	1,103	1,171	1,198	1,202	1,146
Agricultural Research Administration:										
Office of Administrator:										
Permanent	276	261	307	368	381	402	418	410	388	386
All other	112	61	121	88	39	60	91	72	57	57
Total	388	322	428	456	420	462	509	482	445	443
Research on strategic and critical agricultural materials:										
Permanent	------	------	------	------	------	48	68	56	59	120
All other	------	------	------	------	------	8	4	7	8	12
Total	------	------	------	------	------	56	72	63	67	132
Research on agricultural problems of Alaska:										
Permanent	------	------	------	------	------	14	11	18	32	32
All other	------	------	------	------	------	------	------	9	7	7
Total	------	------	------	------	------	14	11	27	39	39
Office of Experiment Stations:										
Permanent	100	93	93	94	109	104	94	127	102	100
All other	40	22	11	10	10	4	7	9	22	13
Total	140	115	104	104	119	108	101	136	124	113
Bureau of Human Nutrition and Home Economics:										
Permanent	159	156	212	258	248	255	300	326	278	267
All other	16	3	6	12	13	34	28	12	2	2
Total	175	159	218	270	261	289	328	338	280	269
Bureau of Animal Industry:										
Permanent	5,150	4,967	4,864	4,867	4,826	5,801	6,600	7,020	4,993	5,126
All other	265	202	167	129	175	212	252	301	251	231
Total	5,415	5,169	5,031	4,996	5,001	6,013	6,852	7,321	5,244	5,357
Bureau of Dairy Industry:										
Permanent	233	217	203	207	277	265	300	311	313	308
All other	9	8	5	7	7	2	7	2	2	2
Total	242	225	208	214	284	267	307	313	315	310
Bureau of Agricultural and Industrial Chemistry:										
Permanent	1,141	1,097	1,111	1,252	1,301	1,355	1,501	1,523	1,459	1,465
All other	70	36	99	112	25	44	30	43	23	12
Total	1,211	1,133	1,210	1,364	1,326	1,399	1,531	1,566	1,482	1,477
Bureau of Plant Industry, Soils, and Agricultural Engineering:										
Permanent	1,768	1,618	1,491	1,573	1,675	1,776	1,887	1,928	1,883	1,835
All other	572	554	455	387	419	410	371	324	200	190
Total	2,340	2,172	1,946	1,960	2,094	2,186	2,258	2,252	2,083	2,025
Bureau of Entomology and Plant Quarantine:										
Permanent	1,727	1,799	1,898	1,963	2,098	1,975	1,984	2,111	2,032	2,001
All other	671	628	571	576	437	454	329	580	510	467
Total	2,398	2,427	2,469	2,539	2,535	2,429	2,313	2,691	2,542	2,468

Average annual positions, permanent and other (man-years) 1943–52—Continued

[Based on budget schedules. Adjusted for comparability with the 1952 appropriation structure]

	1943	1944	1945	1946	1947	1948	1949	1950	1951 estimate	1952 estimate
Control of forest pests (including white-pine blister rust):										
Permanent	188	177	197	227	331	317	317	361	379	331
All other	611	518	645	976	1,210	789	590	765	932	635
Total	799	695	842	1,203	1,541	1,106	907	1,126	1,311	966
Forest Service (excluding forest development roads and trails):										
Permanent	6,507	6,559	6,589	6,437	6,520	6,517	6,580	6,702	6,663	6,665
All other	5,294	4,324	3,877	4,088	4,358	4,815	4,574	4,925	4,402	4,938
Total	11,801	10,883	10,466	10,525	10,878	11,332	11,154	11,627	11,065	11,603
Forest development roads and trails (including access roads):										
Permanent	762	641	600	752	1,255	1,058	974	997	1,037	1,289
All other	770	1,004	770	1,029	2,172	1,409	1,134	1,066	1,346	1,736
Total	1,532	1,645	1,370	1,781	3,427	2,467	2,108	2,063	2,383	3,025
Emergency rubber project:										
Permanent	714	788	355	258	50	.....	.....	.....	.....	.....
All other	2,161	1,945	680	547	15	.....	.....	.....	.....	.....
Total	2,875	2,733	1,035	805	65	.....	.....	.....	.....	.....
Flood control:										
Permanent	83	11	24	133	548	656	790	971	1,037	998
All other	24	9	18	41	56	155	262	308	252	230
Total	107	20	42	174	604	811	1,052	1,279	1,289	1,228
Soil Conservation Service:										
Permanent	7,378	6,902	7,589	9,331	10,372	9,292	10,057	10,972	11,103	11,173
All other	1,503	1,329	1,459	1,581	1,250	987	1,300	1,179	1,083	792
Total	8,886	8,231	9,048	10,912	11,622	10,279	11,357	12,151	12,186	11,965
Production and Marketing Administration:										
Conservation and use of agricultural land resources:										
Permanent	2,794	2,374	2,266	2,103	2,245	1,108	1,094	1,001	954	945
All other	1,027	513	194	43	157	179	41	29	29	27
Total	3,821	2,887	2,460	2,146	2,402	1,287	1,135	1,030	983	972
Acreage allotments and marketing quotas:										
Permanent	.....	.....	.....	.....	.....	.....	455	959	960	933
All other	.....	.....	.....	.....	.....	.....	18	29	29	27
Total	(1)	(1)	(1)	(1)	(1)	(1)	473	988	989	960
Sugar Act:										
Permanent	257	213	251	250	179	153	210	200	203	202
All other	.....	.....	.....	.....	17	14	6	4	4	4
Total	257	213	251	250	196	167	216	204	207	206
Removal of surplus agricultural commodities:										
Permanent	1,925	1,058	958	1,107	752	370	436	703	753	739
All other	141	102	20	.....	25	2	2	5	5	4
Total	2,066	1,160	978	1,107	777	372	438	708	758	743
National School Lunch Act:										
Permanent	.....	.....	.....	.....	475	273	308	276	294	293
All other	.....	.....	.....	.....	35	6	2	2	2	2
Total	.....	.....	.....	.....	510	279	310	278	296	295

[1] Prior to 1949 man-years relating to administration of acreage allotments and marketing quotas are reflected in "Conservation and use of agricultural land resources."

Average annual positions, permanent and other (man-years) 1943–52—Continued

[Based on budget schedules. Adjusted for comparability with the 1952 appropriation structure]

	1943	1944	1945	1946	1947	1948	1949	1950	1951 estimate	1952 estimate
Production and Marketing Administration—Continued										
Marketing services:										
Permanent	1,720	1,574	1,702	1,831	2,322	2,107	2,160	2,363	2,340	2,522
All other	296	269	133	41	21	31	31	29	16	16
Total	2,016	1,843	1,835	1,872	2,343	2,138	2,191	2,392	2,356	2,538
Salaries and expenses, War Food Administration:										
Permanent	579	3,405	3,178	1,787	------	------	------	------	------	------
All other	173	323	119	50	------	------	------	------	------	------
Total	752	3,728	3,297	1,837	------	------	------	------	------	------
Emergency supplies for territories and possessions:										
Permanent	179	354	505	208	------	------	------	------	------	------
All other	------	4	1	17	------	------	------	------	------	------
Total	179	358	506	225	------	------	------	------	------	------
Commodity Credit Corporation:										
Permanent	1,438	1,686	1,559	3,096	4,532	3,596	3,840	4,036	4,618	4,512
All other	129	7	2	104	20	28	30	23	23	23
Total	1,567	1,693	1,561	3,200	4,552	3,624	3,870	4,059	4,641	4,535
Parity Payments:										
Permanent	1,011	170	105	------	------	------	------	------	------	------
All other	------	------	------	------	------	------	------	------	------	------
Total	1,011	170	105	------	------	------	------	------	------	------
Miscellaneous appropriations: "Local administration," "Salaries and expenses," "Agricultural Adjustment Administration," "Payments for agricultural adjustment," "Federal Surplus Commodities Corporation":										
Permanent	159	39	------	------	4	------	------	------	------	------
All other	41	47	------	------	------	------	------	------	------	------
Total	200	86	------	------	4	------	------	------	------	------
Supply and distribution of farm labor:										
Permanent	18	1,301	2,116	1,280	1,261	615	26	7	------	------
All other	6	474	771	466	459	------	------	1	------	------
Total	24	1,775	2,887	1,746	1,720	615	26	8	------	------
All other, Production and Marketing Administration (working funds, trust funds, transfers from other departments):										
Permanent	2,977	4,375	4,214	3,548	2,207	1,547	1,715	2,053	2,013	2,003
All other	389	423	302	222	70	119	82	70	77	69
Total	3,366	4,798	4,516	3,770	2,277	1,666	1,797	2,123	2,090	2,072
Commodity Exchange Authority:										
Permanent	130	90	90	86	108	106	107	100	116	128
All other	------	------	------	1	4	3	------	------	------	------
Total	130	90	90	87	112	109	107	100	116	128
Federal Crop Insurance Corporation:										
Permanent	969	332	204	689	774	489	425	458	530	604
All other	60	37	21	263	434	359	229	209	291	407
Total	1,029	369	225	952	1,208	848	654	667	821	1,011
Rural Electrification Administration:										
Permanent	808	643	720	984	1,117	928	1,075	1,201	1,380	1,378
All other	2	3	3	3	1	5	1	2	3	2
Total	810	646	723	987	1,118	933	1,076	1,203	1,383	1,380

Average annual positions, permanent and other (man-years) 1943–52—Continued

[Based on budget schedules. Adjusted for comparability with the 1952 appropriation structure]

	1943	1944	1945	1946	1947	1948	1949	1950	1951 estimate	1952 estimate
Farmers Home Administration:										
Permanent	15,990	11,553	9,884	10,173	9,845	5,610	5,772	5,972	6,476	6,725
All other	616	316	292	407	388	216	278	397	638	630
Total	16,606	11,869	10,176	10,580	10,233	5,826	6,050	6,369	7,114	7,355
Farm Credit Administration:										
Permanent	1,114	888	1,366	1,290	1,173	966	933	905	938	916
All other			7	4	12	17	14	14	16	16
Total	[2] 1,114	[2] 888	1,373	1,294	1,185	983	947	919	954	932
Extension Service:										
Permanent	183	173	175	190	201	190	222	203	202	196
All other	4	1	4	2	2	1	3	1		
Total	187	174	179	192	203	191	225	204	202	196
Office of the Secretary:										
Permanent	744	693	678	669	669	628	613	598	569	572
All other	23	17	8	2	5	6	6	2	1	1
Total	767	710	686	671	674	634	619	600	570	573
Office of Solicitor:										
Permanent	594	555	528	542	540	457	461	495	528	515
All other	1	3	1	2	1	1	2	1	1	1
Total	595	558	529	544	541	458	463	496	529	516
Office of Foreign Agricultural Relations:										
Permanent	132	194	206	224	240	208	217	239	133	132
All other	4	7	3	12	2	4	3	8	5	4
Total	136	201	209	236	242	212	220	247	138	136
Office of Information:										
Permanent	182	182	188	205	211	187	189	183	166	133
All other	2	6	2	2	2	1	4	2	1	
Total	184	188	190	207	213	188	193	185	167	133
Library:										
Permanent	189	191	193	197	199	197	188	188	181	177
All other	5	2	2	1	5	7	2	2	1	1
Total	194	193	195	198	204	204	190	190	182	178
Office for Food and Feed Conservation:										
Permanent						19				
All other						1				
Total						20				
Sugar Rationing Administration:										
Permanent					893	245				
All other										
Total					893	245				
Recapitulation:										
Permanent	61,724	58,612	57,964	59,506	61,170	51,078	53,984	57,724	56,858	57,362
All other	15,336	13,482	10,844	11,321	11,922	10,464	9,833	10,564	10,368	10,681
Grand total	77,060	72,094	68,808	70,827	73,092	61,542	63,817	68,288	67,226	68,043

[2] Man-years for Federal intermediate credit banks, production credit corporations and regional agricultural credit corporation are not shown in the budgets for the fiscal years 1943 and 1944.

Personnel in the Department of Agriculture

Mr. Whitten. Mr. Reid, you may proceed in connection with the question of personnel.

Mr. Reid. I am glad to make a brief statement on the employment situation in the Department, and bring you up to date on it with the charts and tables which I have here.

CURRENT EMPLOYMENT

The employment in the Department of Agriculture on December 31, 1950, totaled 69,479, with 58,590 of those full-time employees, and 10,889 as other than full-time.

The total employment in the Department on the above date was 1,503 less than the employment at the same date last year. It is less this year on December 31, speaking of 1950, than it has been in any year in the past 10 years, other than December 31, 1947.

Mr. Andersen. Was that decrease in the permanent or temporary employment?

Mr. Reid. The decrease was in both. The decrease was 105 less of the full-time employees and 1,398 less of the other than full-time.

That is shown, Mr. Chairman, by the charts which I have shown you in previous years. I should like now to put on the stand here this chart, so you can see the situation as of December 31, 1950. This red shows the full-time employees. This green line shows the total employees in the Department. We are now at a point which is as low as we have been any time since 1940, except for 1947.

This chart which I have here shows you the total employees in the Department as they were with the agencies that have moved in and out of the Department and the changes that have been made in some of the agencies.

Those figures have been adjusted on this chart so that this chart shows an adjusted figure for the agencies that are in the Department at the present time, and the situation that exists with the agencies which are now in the Department and have continued in the Department through that period.

Mr. Stigler. Do you count the county committeemen as part-time employment?

Mr. Reid. You are talking about the PMA committeemen?

Mr. Stigler. Yes.

Mr. Reid. We do not report the employment of any of the county committeemen or county employees of PMA.

I will give you just a little later a table which is usually inserted into the record showing the number of personnel in the Department cooperating or collaborating with the Department but not paid by the Department of Agriculture.

Copies of the charts which I have shown you have been made. I will be glad to pass to each one of you a copy of the two charts.

COMPARISON OF EMPLOYMENT

Mr. Andersen. How do your full-time and part-time employment figures keep their relative positions through the years? What I mean is this: We might not get a correct picture of full-time employment if, for example, this year you might have a considerably

larger number than usual of part-time employees. I am assuming, however, that your part-time employees run about the same in each category year for year, dependent upon the season; is that not correct?

Mr. REID. I think that is about correct, except back in the early years, in 1940 and the early years there, we had both high full-time and part-time employees as you can see on the chart.

You can see it from these two lines. The red line shows full time. The green line shows the total. The space between the two lines will show the relative part-time employment, or temporary employment.

I think you can see the consistency between the years by noticing the differences in those lines.

Mr. ANDERSEN. Since 1944 it seems that the ratio was kept pretty level.

Mr. REID. Last year we had full-time employment of 58,695, as compared with 58,590 this year. In 1940, full-time employment was 71,616.

I should also like, Mr. Chairman and gentlemen, to give you a copy of a table, which shows employment in the Department by bureaus and agencies for the period from 1940 through 1950, listed as full time, other than full time, and total employment by each of these agencies.

Mr. WHITTEN. Mr. Reid, I would be glad to have that.

(The table referred to is as follows:)

Distribution of paid employment in the Department of Agriculture Dec. 31, 1940, to Dec. 31, 1950, adjusted to reflect all major organizational changes which occurred during that period

	Dec. 31—										
	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Office of the Secretary:											
Full time	825	928	820	748	724	728	682	630	624	597	544
Other than full time	------	12	1	8	13	4	2	1	1	2	1
Total	825	940	821	756	737	732	684	631	625	599	545
Bureau of Agricultural Economics:											
Full time	2,093	1,919	1,382	1,321	1,288	1,386	1,226	1,094	1,263	1,309	1,292
Other than full time	164	75	84	59	214	543	181	196	397	201	224
Total	2,257	1,994	1,466	1,380	1,502	1,929	1,407	1,290	1,660	1,510	1,516
Library:											
Full time	188	221	186	192	188	196	203	204	183	188	170
Other than full time	------	------	------	5	3	3	4	2	3	1	2
Total	188	221	186	197	191	199	207	206	186	189	172
Office of Foreign Agricultural Relations:											
Full time	95	121	154	199	191	210	227	212	250	279	348
Other than full time	------	------	5	25	27	33	31	5	7	10	6
Total	95	121	159	224	218	243	258	217	257	289	354
Office of Information:											
Full time	169	206	163	183	183	204	219	178	195	183	188
Other than full time	2	8	1	15	14	8	20	5	11	1	1
Total	171	214	164	198	197	212	239	183	206	184	189
Office of Solicitor:											
Full time	839	871	636	572	526	560	571	451	470	507	496
Other than full time	3	2	------	8	7	9	10	2	6	4	4
Total	842	873	636	580	533	569	581	453	476	511	500

Distribution of paid employment in the Department of Agriculture Dec. 31, 1940, to Dec. 31, 1950, adjusted to reflect all major organizational changes which occurred during that period—Continued

	Dec. 31—										
	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Office of Administrator (ARA):[1]											
Full time	3	3	46	24	25	26	28	50	67	90	94
Other than full time									1	13	14
Total	3	3	46	24	25	26	28	50	68	103	108
Agricultural Research Center:											
Full time	190	235	207	215	200	229	211	207	218	234	219
Other than full time		4	2	5	30	34		33	77	44	26
Total	190	239	209	220	230	263	211	240	295	278	245
Agricultural and Industrial Chemistry:											
Full time	509	915	1,268	1,237	1,216	1,315	1,323	1,366	1,561	1,561	1,400
Other than full time	77	87	83	5	5	14	13	10	20	23	26
Total	586	1,002	1,351	1,242	1,221	1,329	1,336	1,376	1,581	1,584	1,426
Bureau of Animal Industry:											
Full time	4,766	5,285	5,268	5,061	4,970	4,983	4,876	6,024	6,592	7,234	6,547
Other than full time	603	502	237	275	217	272	304	292	304	358	264
Total	5,369	5,787	5,505	5,336	5,187	5,255	5,180	6,316	6,896	7,592	6,811
Bureau of Dairy Industry:											
Full time	252	254	233	211	204	204	283	258	299	309	302
Other than full time	21	6	3	7	3	8	7	3	10	6	2
Total	273	260	236	218	207	212	290	261	309	315	304
Entomology and Plant Quarantine:											
Full time	1,955	2,050	1,884	1,993	1,969	2,113	2,415	2,354	2,348	2,525	2,418
Other than full time	715	1,195	952	656	480	401	368	136	169	311	274
Total	2,670	3,245	2,836	2,649	2,449	2,514	2,783	2,490	2,517	2,836	2,692
Human Nutrition and Home Economics:											
Full time	147	162	176	174	191	233	220	207	285	319	277
Other than full time			2	6	5	34	22	27	58	42	42
Total	147	162	178	180	196	267	242	234	343	361	319
Plant Industry, Soils, and Agricultural Engineering:											
Full time	2,145	1,920	2,163	1,860	1,752	1,751	1,862	1,957	2,144	2,219	2,158
Other than full time	304	293	331	289	258	711	687	733	607	651	702
Total	2,449	2,213	2,494	2,149	2,010	2,462	2,549	2,690	2,751	2,870	2,860
Office of Experiment Stations:											
Full time	115	129	143	99	95	111	111	109	128	134	95
Other than full time	3							8	4	5	19
Total	118	129	143	99	95	111	111	117	132	139	114
Commodity Exchange Authority:											
Full time	203	217	130	90	90	86	116	110	107	100	111
Other than full time								1			
Total	203	217	130	90	90	86	116	111	107	100	111
Extension Service:											
Full time	294	286	250	253	264	288	307	295	264	265	269
Other than full time	1			6	9	10	8	2	1		
Total	295	286	250	259	273	298	315	297	265	265	269

[1] During calendar year 1949, Office of Administrator, Research and Marketing, was transferred to Office of Administrator, ARA.

Distribution of paid employment in the Department of Agriculture Dec. 31, 1940, to Dec. 31, 1950, adjusted to reflect all major organizational changes which occurred during that period—Continued

	Dec. 31—										
	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Farm Credit Administration:											
Full time:											
Regular	1,351	1,323	1,154	820	771	735	667	559	539	499	478
Regional Agricultural Credit Corporation	108	139	109	81	51	25	6	9	7	------	------
Federal intermediate credit banks	412	409	383	311	279	272	203	213	251	255	268
Production Credit Corporation	294	292	279	244	213	213	251	189	165	162	151
Total full time	2,165	2,163	1,925	1,456	1,314	1,245	1,127	970	962	916	897
Other than full time:											
Regular	------	------	------	------	1	------	1	1	1	1	------
Regional Agricultural Credit Corporation	29	19	12	35	13	11	------	------	------	------	------
Federal intermediate credit banks	17	10	------	9	7	6	7	3	9	12	8
Production Credit Corporation	11	6	------	1	------	3	4	5	28	39	42
Total other than full time	57	35	12	45	21	20	12	9	38	52	50
Total:											
Regular	1,351	1,323	1,154	820	772	735	668	560	540	500	478
Regional Agricultural Credit Corporation	137	158	121	116	64	36	6	9	7	------	------
Federal intermediate credit banks	429	419	383	320	286	278	210	216	260	267	276
Production Credit Corporation	305	298	279	245	213	216	255	194	193	201	193
Total, all	2,222	2,198	1,937	1,501	1,335	1,265	1,139	979	1,000	968	947
Farmers' Home Administration:											
Full time	18,933	21,248	16,882	11,064	9,754	9,938	9,332	5,573	5,782	6,033	6,383
Other than full time	27,715	26,440	25,321	11,441	10,441	12,917	9,206	9,321	9,346	[2] 5,367	[2] 4,634
Total	46,648	47,688	42,203	22,505	20,195	22,855	18,538	14,894	15,128	11,400	11,017
Federal Crop Insurance Corporation:											
Full time	500	583	482	291	75	480	614	494	425	447	509
Other than full time	8	------	52	1	1	467	895	857	428	416	565
Total	508	583	534	292	76	947	1,509	1,351	853	863	1,074
Forest Service:											
Full time	13,076	10,367	11,446	9,017	8,107	8,613	8,861	8,561	8,745	8,178	8,103
Other than full time	1,173	886	1,030	705	669	1,580	2,616	2,308	2,314	2,097	1,845
Total	14,249	11,253	12,476	9,722	8,776	10,193	11,477	10,869	11,059	10,275	9,948
Production and Marketing Administration:											
Full time	8,519	12,302	14,811	17,318	15,782	15,931	13,857	10,010	10,700	[3] 12,205	12,867
Other than full time	5,355	2,413	2,467	1,441	1,430	1,038	718	509	291	355	361
Total	13,874	14,715	17,278	18,759	17,212	16,969	14,575	10,519	10,991	12,560	13,228
Rural Electrification Administration:											
Full time	836	1,068	782	621	709	986	1,129	914	1,086	1,160	1,318
Other than full time	10	8	2	1	1	2	2	2	3	3	4
Total	846	1,076	784	622	710	988	1,131	916	1,089	1,163	1,322

[2] In previous years, FHA State and county committeemen were reported, whether or not they performed service during the reporting month. Due to a correction in reporting intermittent employees as required by the Civil Service Commission, FHA State and county committeemen are reported only when they perform service during the reporting month.

[3] During calendar year 1949, the Commodity Credit Corporation was consolidated with the Production and Marketing Administration.

Distribution of paid employment in the Department of Agriculture Dec. 31, 1940, to Dec. 31, 1950, adjusted to reflect all major organizational changes which occurred during that period—Continued

	Dec. 31—										
	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
Soil Conservation Service:											
Full time	12,611	12,155	8,940	7,029	7,752	9,163	11,034	9,593	10,674	11,703	11,585
Other than full time	424	518	968	2,384	3,231	4,502	2,108	1,567	2,275	2,325	1,823
Total	13,035	12,673	9,908	9,413	10,983	13,665	13,142	11,160	12,949	14,028	13,408
Northeast Timber Salvage Administration:											
Full time	188	225	167	------	------	------	------	------	------	------	------
Other than full time	------	------	------	------	------	------	------	------	------	------	------
Total	188	225	167	------	------	------	------	------	------	------	------
Grand total all bureaus:											
Full time	71,616	75,833	70,544	61,228	57,569	60,979	60,834	51,821	55,372	58,695	58,590
Other than full time	36,635	32,484	31,553	17,387	17,079	22,610	17,214	16,029	16,371	12,287	10,889
Total	108,251	108,317	102,097	78,615	74,648	83,589	78,048	67,850	71,743	70,982	69,479

AVERAGE GRADE OF EMPLOYEES

Mr. WHITTEN. Mr. Reid, you are perhaps familiar with the rider which I placed on the deficiency bill last year, by which we tried to prevent a general up-grading of employees of the Government during the emergency.

I asked that a study be made of two regular departments. The Department of Agriculture was not one of those studied. But to my surprise the report showed, with regard to those two departments, that there had been an average up-grading of approximately two grades throughout the Department since 1940.

I would like for you to furnish us with information showing the average grade of your employees in 1940, and then average grades now.

Mr. REID. Let me get it clear now. You want, Mr. Chairman, the listing of the grades of employees in the Department in 1940 and 1950?

Mr. WHITTEN. Yes.

Mr. REID. Listing by grades?

Mr. WHITTEN. As I say, the report of the two departments studied showed that the average grade of the employees was two grades above what it was in 1940.

I would like to see what happened in the Department of Agriculture in this connection.

Mr. ROBERTS. May I speak off the record?

(Discussion off the record.)

OVER-ALL TOTAL EMPLOYMENT

Mr. REID. I have broken down by agencies of the Department the tables which we usually insert, showing the paid employment at the end of December 1950, inside of the Washington, D. C., metropolitan area, that which is outside of the Washington, D. C., area, and then the total employment in the Department.

I would like to have those put in the record.

Mr. WHITTEN. That information will be inserted.

(The tables referred to are as follows:)

Monthly report of paid employment as of end of December 1950, inside and outside Washington, D. C., metropolitan area [1]

Agencies	Full time	Part time and intermittent	Total
Total	58,590	10,889	69,479
Immediate office of the Secretary	65		65
Staff offices:			
Bureau of Agricultural Economics	1,292	224	1,516
Library	170	2	172
Office of Budget and Finance	114		114
Office of Foreign Agricultural Relations	348	6	354
Office of Hearing Examiners	7		7
Office of Information	188	1	189
Office of Personnel	88	1	89
Office of Plant and Operations	89		89
Office of Solicitor	496	4	500
Working capital fund	181		181
Agricultural Research Administration:			
Office of Administrator	94	14	108
Agricultural Research Center	219	26	245
Bureau of Agricultural and Industrial Chemistry	1,400	26	1,426
Bureau of Animal Industry	6,547	264	6,811
Bureau of Dairy Industry	302	2	304
Bureau of Entomology and Plant Quarantine	2,418	274	2,692
Bureau of Human Nutrition and Home Economics	277	42	319
Bureau of Plant Industry, Soils, and Agricultural Engineering	2,158	702	2,860
Office of Experiment Stations	95	19	114
Commodity Exchange Authority	111		111
Extension Service	269		269
Farm Credit Administration [2]	897	50	947
Farmers Home Administration	6,383	[3] 4,634	11,017
Federal Crop Insurance Corporation	509	565	1,074
Forest Service	8,103	1,845	9,948
Production and Marketing Administration	12,867	361	13,228
Rural Electrification Administration	1,318	4	1,322
Soil Conservation Service	11,585	1,823	13,408

[1] Includes employees outside the continental limits of the United States.

[2] Includes 276 FICB and 193 PCC employees (nonsecretarial appointees). Excludes 23 employees of the Central Bank for Cooperatives paid by the bank. Also excludes 1,083 FLB, 209 BC, and 263 FA employees (nonsecretarial appointees) and 298 land bank appraisers (secretarial appointees) paid by the banks.

[3] Includes 4,525 FHA State and county committeemen who performed service during the month.

Monthly report of paid employment as of end of December 1950, inside Washington D. C. metropolitan area

Agencies	Full time	part time and intermittent	Total
Total	10,721	157	10,878
Immediate Office of the Secretary	57		57
Staff offices:			
Bureau of Agricultural Economics	730	5	735
Library	146	2	148
Office of Budget and Finance	108		108
Office of Foreign Agricultural Relations	293	6	299
Office of Hearing Examiners	7		7
Office of Information	188	1	189
Office of Personnel	88	1	89
Office of Plant and Operations	89		89
Office of Solicitor	310		310
Working Capital Fund	181		181
Agricultural Research Administration:			
Office of Administrator	74		74
Agricultural Research Center	219	26	245
Bureau of Agricultural and Industrial Chemistry	76	1	77
Bureau of Animal Industry	741	14	755
Bureau of Dairy Industry	238	1	239
Bureau of Entomology and Plant Quarantine	339	8	347
Bureau of Human Nutrition and Home Economics	254	3	257
Bureau of Plant Industry, Soils, and Agricultural Engineering	982	78	1,060
Office of Experiment Stations	66		66
Commodity Exchange Authority	32		32
Extension Service	205		205
Farm Credit Administration	352		352
Farmers Home Administration	311		311
Federal Crop Insurance Corporation	128		128
Forest Service	367		367
Production and Marketing Administration	2,821	4	2,825
Rural Electrification Administration	1,002	2	1,004
Soil Conservation Service	317	5	322

Monthly report of paid employment, as of end of December 1950 outside Washington, D. C., metropolitan area [1]

Agencies	Full time	Part time and intermittent	Total
Total	47,869	10,732	58,601
Immediate Office of the Secretary	8		8
Staff officers:			
Bureau of Agricultural Economics	562	219	781
Library	24		24
Office of Budget and Finance	6		6
Office of Foreign Agricultural Relations	55		55
Office of Hearing Examiners			
Office of Information			
Office of Personnel			
Office of Plant and Operations			
Office of Solicitor	186	4	190
Working capital fund			
Agricultural Research Administration:			
Office of Administrator	20	14	34
Agricultural Research Center			
Bureau of Agricultural and Industrial Chemistry	1,324	25	1,349
Bureau of Animal Industry	5,806	250	6,056
Bureau of Dairy Industry	64	1	65
Bureau of Entomology and Plant Quarantine	2,079	266	2,345
Bureau of Human Nutrition and Home Economics	23	39	62
Bureau of Plant Industry, Soils, and Agritultural Engineering	1,176	624	1,800
Office of Experiment Stations	29	19	48
Commodity Exchange Authority	79		79
Extension Service	64		64
Farm Credit Administration	545	50	595
Farmers Home Administration	6,072	[2] 4,634	10,706
Federal Crop Insurance Corporation	381	565	946
Forest Service	7,736	1,845	9,581
Production and Marketing Administration	10,046	357	10,403
Rural Electrification Administration	316	2	318
Soil Conservation Service	11,268	1,818	13,086

[1] Includes employees outside the continental limits of the United States.
[2] Includes 4,525 FHA State and county committeemen who performed service during the month.

Report of personnel cooperating or collaborating with, but not paid by the Department of Agriculture, June 30, 1950

	County committeemen	County employees other than county committeemen	Extension agents	Federal land banks	National farm loan associations	Banks for cooperatives	Production credit associations	Land bank appraisers	General agents
Extension Service			12,355						
Farm Credit Administration				[1] 1,145	[2] 2,262	209	[2] 4,075	250	271
Production and Marketing Administration	9,099	[3] 102,323							

Grand total, 131,989.

[1] Excludes land bank appraisers.
[2] Estimated figures for national farm loan associations and production credit associations include 532 employees who work jointly in these associations.
[3] Includes 87,318 community committeemen who like the county committeemen are employed only a few days throughout the year.

INDIRECT EMPLOYEES

Mr. REID. Mr. Chairman, I have here the statement on the personnel who are cooperating and collaborating but not paid by the Department of Agriculture, which includes the county extension agents, employees of the Farm Credit Administration, and the county committeemen and county employees other than county committeemen of the Production and Marketing Administration, which totals 131,989 people.

Mr. BATES. How are the county committeemen paid?

Mr. REID. They are paid by a fund that is made as a grant. It is an appropriation to the county committeemen.

Mr. BATES. It is in the appropriation bill?

Mr. ANDERSEN. Off the record.

(Discussion off the record.)

Mr. REID. I should also like to give each of you a copy—it is not to go in the record—of a statistical summary of our entire employment as of December 1950, which is the summary of employment which we issue monthly, each month of the year.

Mr. Chairman, I think that is about all I have.

BUDGET PREPARATION, 1952

Mr. WHITTEN. Mr. Roberts, when did the Department prepare its budget for 1952; what time of the year did you begin?

Mr. ROBERTS. Mr. Chairman, we developed what we called the Budget Outlook in April, in accordance with a policy statement issued at that time.

When the Korean situation developed in June, a completely new look was taken at the budget, and the budget estimates we were then working on were revised. We submitted a budget to the Bureau of the Budget about October 1, which reflected our best judgment at that time in the light of the Korean situation.

Some substantial changes were made before that submission. For example, the appropriation for forest roads and trails was looked at quite differently than it was a few months previously. There were some other items that were revised substantially.

As a matter of fact, some rather substantial changes in budget estimates were made which would otherwise have been submitted under normal conditions. We then worked with the Budget Bureau from October until December 27, when we received the final budget allowances from the Bureau of the Budget, which are reflected in the printed document. Between November 29 and December 27 proposed appropriations were further reduced by $8,843,000 and borrowing authorizations by $74,000,000.

Mr. WHITTEN. What efforts have been made to transfer emphasis within the Department, shift personnel, and shift funds from one area of use to another?

Mr. ROBERTS. On July 21 the President issued a directive, which the Secretary of Agriculture implemented in the Department of Agriculture, directing all agencies to reexamine their programs to redirect them to take care of the changed conditions, to take care of the type of work which seemingly would be more appropriate to carry on under circumstances such as we face at the present time.

In ARA, in the Forest Service, and in the other agencies of the Department reviews were conducted, and these provided in some measure for the reductions totalling $3,300,000, which I mentioned earlier, that went toward the $150,000,000 we contributed to the reduction under section 1214 of the 1951 Appropriation Act.

PROBLEMS REGARDING TRANSFER OF PERSONNEL TO DEFENSE AGENCIES

Mr. WHITTEN. Mr. Reid, I mentioned a while ago the rider that was passed last year. How many people have you had to transfer from the Department to defense work since that time?

Mr. REID. I can't give you the exact number, Mr. Chairman, but we have a rather considerable number.

Mr. WHITTEN. Have you tried to be helpful in that connection in the Department?

Mr. REID. We have been helpful, yes, sir. The Department of Agriculture has made details of stenographers and typists to defense agencies as well as technical personnel. Instructions were sent to all field organizations to aid in staffing and organizing Economic Stabilization Agency field offices. There is much help being given all the time. The Department feels a responsibility to help do a good job throughout government.

Mr. WHITTEN. Have you made any representations to the Civil Service Commission about the requirements of that law, or the modification or repeal of it, or the matter of giving reemployment rights, so folks will feel free to move in and help with the defense work?

Mr. REID. I have through the Federal Personnel Council, where there has been a committee that has been working on personnel problems during the period of defense, which I think has made some recommendations relative to reemployment rights to the Civil Service Commission.

Mr. WHITTEN. Do you have copies of them?

Mr. REID. I do not have copies of them here.

Mr. WHITTEN. Could you make them available to the committee?

Mr. REID. I think I can made them available to the committee. I think I can get a copy from the Federal Personnel Council.

Mr. WHITTEN. It is my view, that with the need to staff defense agencies with experienced personnel to get the job done and as quickly

and economically as possible, experienced people from the regular departments must be made available to defense programs. And, since we are of necessity going to have to curtail the normal activities of the Government, it seems to me there should be available within all the departments people who could be spared to help in the national defense agencies.

If that be true, do you not feel that leaves of absence should be given to such personnel as is willing to make the change so they can return to their old jobs when the defense work is over?

Mr. REID. Yes, definitely. The Department has done that. They would be willing to go along with that. The very same thing was done in the last war.

Mr. WHITTEN. Mr. Reid, you have done a splendid job down there, but there are too many people going along in the usual way. I think we are faced with a necessity. It is, I think, time that we all get busy on this problem.

Mr. REID. May I go off the record?

(Discussion off the record.)

Mr. WHITTEN. Mr. Reid, I am going to ask you to put anything you want in the record. My recollection is that you appeared before the Senate committee and testified against the rider last year. Also, it seems to me that your attitude has not been too cooperative, which is true of the average personnel officer in the Government.

I want to say here that it is my judgment that every old-line department is in better shape to hire some temporary employees to fit in with their experienced people than to require these new defense set-ups to hire temporary folks altogether. This is a national emergency. I have heard of numerous cases in which the Department of Agriculture as well as other organizations have not only held on to their personnel but have gone out seeking new programs and seeking defense designations to keep their folks busy and not lose them.

We have reached a point where we need cooperation. If we are not getting it, I want to know about it and why. If we are getting it, I want to know about it.

If you have an objection to that rider, feel free to express your opinion. I do not hold myself out to be an authority on this matter. I will say that rider was prepared with the best help I could find in the executive branch.

I have had some disagreement with the Civil Service Commission, which, in my judgment, has been slow to fully implement the provision. I am told that part of their problems is the objections of the regular departments who want to stay intact, keep their experienced folks, and find them some made work to do.

Mr. REID. Mr. Chairman, as far as the rider affects the Department of Agriculture, it has increased very considerably the paper work in the Department.

It will increase the paper work very considerably more because our department is not an expanding department, as the figures which I have given you have shown.

Every promotion we make, every transfer we make, all of the things we make under the rider have to be made on a temporary basis, indefinite basis.

Mr. WHITTEN. That is no change from the last war when national defense agencies hired on a temporary basis, is it?

Mr. REID. Yes; it is a decided change from the last war.

Mr. WHITTEN. The temporary status is not different.

Mr. REID. We had appointments in the last war which were made temporarily. But if we made a promotion, where for example, a division chief died or retired or something else, we made a permanent promotion, which we do not make now.

Now we promote on a temporary basis to a permanent position.

Mr. WHITTEN. He does not lose his permanent status.

Mr. REID. No, but it does mean we have to write two pieces of paper where we used to write one piece of paper to handle that.

Mr. WHITTEN. Let us see how many folks in your Department you have had to do that with. What is the number now?

Mr. REID. I cannot give you the exact number.

Mr. WHITTEN. The approximate number.

Mr. REID. The approximate number will be, during the year, probably 8 to 12 percent of the people in our Department.

Mr. WHITTEN. How many in total will that be?

Mr. REID. Out of a total of approximately 60,000—I told you we had 58,000 full-time—there would probably be around 5,000, or 6,000 people.

Mr. WHITTEN. That means about 12,000 papers?

Mr. REID. Yes.

Mr. WHITTEN. That is not sufficient to keep you from cooperating in this move, is it?

Mr. REID. It is not sufficient to keep anybody from cooperating. I say that we have cooperated. But it does add to the paper work. It does take the time of people to do extra paper work when the time of those people could be used, Mr. Chairman——

Mr. WHITTEN. If the records——

Mr. REID. For some other things.

Mr. WHITTEN. We ended after the last war with a general upgrading of approximately two grades in at least two departments. It is estimated that this increased our annual cost about $1,000,000,000 a year. You could afford to write quite a few papers for that.

Mr. REID. I assume so, if that figures that way. Our Department is not an expanding department.

Mr. WHITTEN. No; and there are lots of people that think it should be a contracting department, just as all peacetime activities must be contracted.

After looking at this budget, I cannot see many places where you are contemplating contracting. For instance, in your PMA activities, we are going into a period where there will be a decrease in its activities. Is there any adjustment in the amount of money you are asking for this year?

Mr. REID. I think Mr. Roberts should answer that.

Mr. ROBERTS. There is some in acreage allotments, Mr. Chairman. There is a further adjustment to come on that in the PMA area. That is the only one of consequence there, I think. On the other hand, PMA is engaged in two new activities under the Defense Production Act. They have been designated as claimant for agriculture materials, so they have established an Office of Materials and Facilities that is expanding.

Mr. WHITTEN. Who finances that through this appropriation?

Mr. ROBERTS. That is done through Defense Production funds. We have for the current quarter about $1,125,000 for that activity and for work on requirements and allocations of food. I don't remember now what the split of the $1,125,000 is between the two activities. PMA gets the bulk of that allocation; and that is increasing their employment down there.

Mr. WHITTEN. I asked earlier for the number who had transferred. I would also like to have the number whose transfer you have turned down within your Department.

Mr. REID. I will get that.

Mr. WHITTEN. In regard to this so-called rider, this does not prevent permanent appointments. It says that the Civil Service Commission shall use its authority to require temporary appointments to prevent an increase in the total number of permanent personnel. So, when an actual vacancy occurs, an actual appointment can be made on a permanent basis if they see fit. The only restriction in the rider is that they shall use that temporary authority to prevent an increase in the total number of permanent employees.

Mr. REID. Mr. Chairman, in the Department of Agriculture we have not objected to the temporary appointments. In fact, we have felt the number of permanent appointments should definitely be held down. We recommended to the Civil Service Commission that certain activities be placed in permanent appointments only after the Commission had placed other positions in permanent appointments where we had very strong competition in getting people.

We recommended, for instance, that our junior agriculture assistants, which is the GS–5 starting position, be given permanent appointments because the junior management assistants, which is the corresponding general position throughout the Government agencies, also a GS–5, was given permanent appointments by the Commission.

We have recommended that certain trainees be given permanent appointments, because they gave permanent appointments to engineer trainees in some other agencies. For us to compete successfully we had to do that.

Mr. WHITTEN. That is within the intent of the rider.

Mr. REID. So, we have been very, very conservative on asking for permanent appointments. If we had been adding a large number of positions to which people were transferring, we would have felt that the temporary promotion would have been a feasible device in filling positions which would not be expected to continue in existence beyond the time of the emergency effort.

As it is, positions in the Department are largely positions which have been previously created, except for a very few which have been established in the recent defense units.

Most promotions are made to take the place of somebody who dies, retires, or moves out of a permanent position. Usually, a retirement, death, or resignation up near the top of the agency means a series of promotions down in the agency.

Mr. WHITTEN. Has anybody hesitated to take a promotion knowing as soon as the emergency is over you will make it final?

Mr. REID. There are some who have hesitated, yes, sir.

Mr. WHITTEN. Even with your assurance that it was a permanent job, permanently vacated, and therefore they would be in line to hold on to it?

Mr. REID. We have not been able to convince some few of them that it was, because the papers that they get shows that it is not. They feel that the written document, which is the thing on which they depend for their contract agreement, is more valuable than the word of some personnel officer.

Mr. WHITTEN. In that regard, if the man is qualified to handle that job, and if he is just one step below it, you can let him go ahead and handle the job. He does not have to take the new rating and salary to do the work, does he?

Mr. REID. He will have low morale if he does not get it.

Mr. WHITTEN. If you offer it to him, and he does not want to make the change on the books, you can assign him the work and have him do the work, as you have already decided he is capable of doing the job.

Mr. REID. Generally in successful management of an organization you cannot work that way, because when one is moved up a line there is someone else behind to move into the position. This would soon result in confusion in positions and lower the morale of employees.

Mr. WHITTEN. Then, you do not feel that the emergency is serious enough that it might be well to get by with one less person?

Mr. REID. I think that has been recognized.

REDUCTION OF PERSONNEL

Mr. WHITTEN. How much reduction of personnel do you contemplate next year as against this year?

Mr. ROBERTS. There is a net increase of about 800 employees on a man-year or average annual position basis.

Mr. WHITTEN. How does that make your answer seem?

Mr. REID. I want to say this, Mr. Chairman: When you take totals, they do not show increases. There are some places that are reducing very materially.

Mr. WHITTEN. Could you specify those places?

Mr. REID. I can, sir; I can show you what happened last year. The Farm Credit Administration had 21 less people in December 31, 1950, than they had in 1949. The Farmers Home Administration had 383 less.

Mr. WHITTEN. You are talking about the action which followed the reduction in their appropriation. I am asking how many you reduced before your funds were cut.

In your justifications and request, where do those things show up?

Mr. REID. I do not know.

Mr. WHITTEN. Show me the places where you willingly reduced personnel, not the place where you had to do it because you did not have the money.

Mr. REID. I do not make the budget, and therefore I cannot answer the question.

PERSONNEL UTILIZATION

Mr. WHITTEN. Do you not have any say-so about passing on the number of folks that you have and what they do? Do any requests come before you or do you have nothing to do with that at all?

Mr. REID. We do not have anything to do with it until the budget is made. We work with them on the personnel utilization program.

Mr. WHITTEN. That frees you of any responsibility as to saying how many people they need to do any given job? I thought you had the responsibility of passing on a job; I thought you kept some surveillance over the number of personnel, but you do not?

Mr. REID. We do not.

Mr. WHITTEN. You do not follow through to see if they have a job to do or could be eliminated?

Mr. REID. We do not, except that we have a personnel-utilization program in the Department of Agriculture.

Mr. WHITTEN. A program? Who formulates that program?

Mr. REID. We work with the agencies in formulating the program, and working it through the agencies.

Mr. WHITTEN. Who rides herd on it? Who says how many people they will have, and when their work falls off who says how many they will let go?

Mr. REID. The head of the agency.

Mr. WHITTEN. And you have nothing to do with that.

Mr. REID. There is nobody who can, I suppose, other than the head of the agency make a determination of that kind.

Mr. WHITTEN. You never have any occasion to tell an agency how many reports it will get out; you never make any examinations such as visiting the officers or checking the amount of work done?

Mr. REID. We visit with the agencies and consult with the agencies. Very recently we went around and talked to heads of agencies about where they could squeeze down.

Mr. WHITTEN. Do you think this committee would be safe in asking the Secretary of Agriculture, since you do not have the authority, to set up a new authority down there whose job it is to ride herd on you, to see if the employees are doing the job?

Mr. REID. Yes, if you would give that person an inspection or review force, so that he could visit field installations and keep definitely in touch with all details. It would mean another overhead agency that would have a considerable staff.

Mr. WHITTEN. You would have to take on new people to get rid of old ones?

Mr. REID. You would have to set up a very considerable staff, which could only be justified if you had a good deal of waste in the agencies as they now exist.

Mr. WHITTEN. Does the Budget Office then have control of the number of people?

Mr. ROBERTS. Through the budget process, we could, Mr. Chairman. In other words, through the establishment or release of budgetary reserves, we would have some control over the number of people that would be employed.

But we do not have a staff that goes out and examines into the staffing requirements, the standards of performance in the personnel field, throughout the agencies.

Mr. WHITTEN. That is the tragedy of government. As I have pointed out, officials of one of the larger operating agencies came in here 2 years ago and said they had no standard of performance. They had two organizations in the same area which were identical,

with the same personnel, dealing with the same people. They checked into it and found that one was doing twice as much as the other.

We insisted they set up standards. In the testimony last year they stated that they had increased their output 100 percent.

It strikes me that somebody within the Department should set up such a staff. It strikes me that with 60,000 people there should be enough people who could devote some time to it without adding new folks. There might be new assignments to the same people.

I do not know what your record will be when you bring us the facts. Do you determine the grade level of the job?

Mr. REID. We do.

Mr. WHITTEN. How can you determine the grade level of the job unless you know what the person does?

Mr. REID. We know what he does according to the job description.

Mr. WHITTEN. You know what he is supposed to do?

Mr. REID. That is right.

Mr. WHITTEN. That is a paper thing?

Mr. REID. Yes.

Mr. WHITTEN. And the less work he has to do the more time he has to write out on a sheet of paper what his job calls for and thereby get the rating?

Mr. REID. He cannot do it himself.

He writes up his job, but that has to be approved by his supervisor and the agency personnel office.

Mr. WHITTEN. And that supervisor's rating, according to your rating and under the civil service, will be greater, the more folks he has under him?

Mr. REID. No, sir. I think we are not allowed to use that in the grade now.

Mr. WHITTEN. How recent was the change?

Mr. REID. The 1949 Classification Act.

Mr. WHITTEN. That is a wonderful improvement, too; is it not?

Mr. REID. I think it was said more times than it was a fact that the number of people determined the grade. In our Department there are a number of men who are working as individuals, without anybody else under them except a secretary or a laboratory aide, who are in the higher grades.

Mr. WHITTEN. I am glad to hear that. This may sound like an indictment. The people I have known in the Government have been fine people. But I do find we have a great waste of manpower and a great waste of money due to the shortcomings of the system.

I do not know how to correct it. I try from time to time to do what little I can, such as pushing this rider through.

The Civil Service had all the authority to do it, but they did not do it. I do not like to see hesitancy on the part of the departments to keep their permanent employees and make the defense agencies go out and get all temporary employees.

I have had a good many reports on it. A good many of the visitors I have had come from the Department of Agriculture. You would be surprised how many people down there say they have very little to do.

Mr. REID. I would be glad to know, who they are or the agencies of the department where they are employed.

Mr. WHITTEN. If I told you, with all due deference to you——

Mr. REID. We will definitely work with that agency to find them something to do.

Mr. WHITTEN. That is what I am complaining about. The job is not to find them something to do, but to let them transfer to some other job.

Mr. REID. I do not mean just something to fill their time, but a necessary and useful job.

Mr. WHITTEN. You can help them by giving them a release and prevailing upon the Civil Service Commission to give them full reemployment rights.

Mr. REID. We are doing that. We are giving them reemployment rights in our Department except, as I said off the record a few minutes ago, in some cases where we have transferred people to other agencies and then they have used the Department as a recruiting place for other people and try to bring their friends and former associates into their units. They try to get men they know who are friendly to them.

It is a natural and logical thing to get the effective people you know, and this method is often used to build up an organization in another place by one who has taken advantage of a transfer.

Sometimes it is necessary to call a halt to that sort of thing by not agreeing to reemployment rights or we might completely——

Mr. WHITTEN. I hope you will not stop it before it starts.

Mr. REID. We have not.

Mr. WHITTEN. Yesterday I recommended on the floor that all departments ought to ask their employees to indicate who would be willing to take a leave of absence to help with the defense problem. I also urged that, when they got the list from the folks in the department who would be willing to pitch in, the Civil Service Commission should immediately see to it that they are assured full reemployment rights.

I hope that tomorrow morning or in a few days I will receive a copy of your letter to the Civil Service Commission urging them to take that appropriate action. I hope I will get it from other personnel people in the Government. This is a national problem. This defense problem is one we have to meet. We can save millions of dollars and worlds of manpower by following this plan.

Mr. REID. Mr. Chairman, I have sat in a great many meetings with personnel people and members from the Commission. I have yet to see any reluctance on the part of those people in helping to staff the defense agencies with effective and efficient people, and to help move into the defense agencies certain personnel from the other departments.

Mr. WHITTEN. You just said a while ago you did not want them staffing at your expense.

Mr. REID. I said this: We did not want them to competely deplete a particular unit out of which certain persons had been transferred.

Mr. WHITTEN. This thing is probably too big for me to get it corrected, or you either. I am going to do all I can, and I hope you will.

Mr. REID. I think our common objective is the same. There is some difference in approach.

Mr. WHITTEN. What would you suggest that we do?

Mr. REID. My suggestion is to see that the Commission gets into its regulations the proper approach and work it through, rather than incorporating regulations into legislation, because legislation becomes very inflexible.

Mr. WHITTEN. Your thought is that the Commission ought to have gone ahead and done it?

Mr. REID. I have previously said so. I think you will find that in the testimony I gave.

Mr. WHITTEN. I agree with you thoroughly. Since they did not, how can you get them to do it, except by requiring it by legislation? Do you know any other way?

Mr. REID. I am not so sure that they were tremendously reluctant about doing it.

Mr. WHITTEN. From June to September. That is some little time; is it not? I do not mean to harass you, Mr. Reid. What I have said to you I would address to every other personnel officer of every other department had he been here.

I hope some little good will come from directing attention to the matter.

OPERATING RESPONSIBILITIES WITHIN THE DEPARTMENT

Mr. ROBERTS. Mr. Chairman, in connection with your question regarding the responsibility of the Budget Office, you realize, of course, how the Department is organized. The operating responsibility is in the head of each operating bureau or agency. The staff offices have a staff responsibility only. For example, in this whole field of personnel utilization, work measurement, and so forth, the Secretary last May got out a memorandum directing each agency head to establish within his agency a program for better manpower utilization, the establishment of standards, and so forth.

In that memorandum Mr. Reid was given the responsibility for coordinating those agency programs within the department. But the operating responsibility was with the agency head. At the same time, I was given the responsibility to see that in the development of budget estimates, for example, work measurement and standards of performance were taken into consideration in the development of the estimates themselves.

We would be glad to leave you a copy of that memorandum.

Mr. WHITTEN. As you know, I am not one of those who wants to take out all the money for the people in Washington. I think that a proper amount of funds for operating heads can save a lot of money in the field. The amount of money spent in supervisory personnel, if they are the proper personnel, will save the cost of the little money that it takes for that purpose.

I think our committee has shown that attitude in the last few years.

NEW WORK PERFORMANCE RATING SYSTEMS

Mr. REID. Mr. Chairman, the old efficiency rating system was abolished and the new work-performance rating has been put in effect.

We are now in the process of getting the new system in effect. We will have work performance standards which will be based on the actual performance of the individuals in the positions. That is in

the process of being put in now in all the departments of the Government.

Mr. WHITTEN. Those who devote themselves to Government activities are entitled to consideration and continuity of service, and many other things.

I do not know of any plan that comes near answering the problem. On the other hand, I see lots of defects in the present system that could stand correcting.

The people I have met in Government are hard working and conscientious. The complaints I have had come from the people themselves. They are retarded by the departments and the Civil Service Commission. That is not right.

Thank you, gentlemen. If there is no further business, the committee will stand adjourned.

Mr. ROBERTS. If we can be of any help during the course of these hearings we will be standing by to assist in any way we can.

Mr. REID. Thank you, Mr. Chairman.

MONDAY, FEBRUARY 12, 1951.

COMMODITY CREDIT CORPORATION

WITNESSES

RALPH S. TRIGG, PRESIDENT, COMMODITY CREDIT CORPORATION AND ADMINISTRATOR, PRODUCTION AND MARKETING ADMINISTRATION

K. A. BRASFIELD, CONTROLLER, COMMODITY CREDIT CORPORATION DIRECTOR, FISCAL BRANCH, PRODUCTION AND MARKETING ADMINISTRATION

R. P. BEACH, CHIEF, OFFICE OF BUDGET, PRODUCTION AND MARKETING ADMINISTRATION

RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for administrative expenses

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Limitation or estimate	$15,350,000	$16,350,000	$20,200,000
Unobligated balance, estimated savings	−66,879		
Total administrative expenses	15,283,121	16,350,000	20,200,000
REIMBURSABLE OBLIGATIONS			
Rendered to Department of Agriculture appropriations (distributed by objects under reimbursing appropriations)	8,118,678	8,942,717	8,838,473
Rendered other appropriations (distributed by objects included in this schedule)	6,072,039	2,976,500	2,469,000
Total reimbursable obligations	14,190,717	11,919,217	11,307,473
Total	29,473,838	28,269,217	31,507,473
Deduct: Reimbursements rendered Department of Agriculture appropriations	8,118,678	−8,942,717	8,838,473
Total obligations	21,355,160	19,326,500	22,669,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Price support program	$14,624,380	$15,353,000	$18,896,500
2. Storage facilities program	542,682	874,000	1,255,000
3. Commodity export program	20,070	48,500	48,500
4. Subsidy program (in liquidation)	95,989	74,500	
Total direct obligations	15,283,121	16,350,000	20,200,000
REIMBURSABLE OBLIGATIONS			
5. Agriculture supply program	5,709,147	2,500,000	2,000,000
6. Economic cooperation (surplus determinations)	150,194	144,500	137,000
7. Miscellaneous reimbursements	212,698	332,000	332,000
Total reimbursable obligations	6,072,039	2,976,500	2,469,000
Total obligations	21,355,160	19,326,500	22,669,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	4,180	3,795	4,671
Full-time equivalent of all other positions	23	23	23
Average number of all positions	4,059	3,721	4,535
Personal services obligations:			
Permanent positions	$15,062,065	$13,943,500	$16,740,230
Part-time and temporary positions	62,115	65,000	65,000
Regular pay in excess of 52-week base	58,381		64,400
Payment above basic rates	456,259	67,200	207,200
Total personal service obligations	15,638,820	14,075,700	17,076,830
DIRECT OBLIGATIONS			
01 Personal services	10,653,175	11,632,370	15,042,000
02 Travel	535,602	535,000	585,000
03 Transportation of things	97,510	98,000	102,000
04 Communication services	304,540	316,300	328,000
05 Rents and utility services	784,313	808,000	936,370
06 Printing and reproduction	413,250	410,000	360,000
07 Other contractual services	147,663	150,850	161,250
Services performed by other agencies	2,105,128	2,148,880	2,414,480
08 Supplies and materials	226,537	230,000	245,000
09 Equipment	6,978	8,400	8,400
13 Refunds, awards, and indemnities	8,425	8,500	8,500
15 Taxes and assessments		3,700	9,000
Total	15,283,121	16,350,000	20,200,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	4,985,645	2,443,330	2,034,830
02 Travel	210,193	97,200	75,000
03 Transportation of things	37,900	18,000	15,880
04 Communication services	122,986	65,360	53,600
05 Rents and utility services	340,680	187,400	166,000
06 Printing and reproduction	61,520	26,710	19,910
07 Other contractual services	86,240	66,000	35,800
Services performed by other agencies	140,500	30,500	30,500
08 Supplies and materials	86,375	42,000	37,500
Total reimbursable obligations	6,072,039	2,976,500	2,469,000
Total obligations	21,355,160	19,326,500	22,669,000

Mr. WHITTEN. I would like to insert in the record at this point, pages 4, 5, and 51 of volume 2; and pages 1 through 4 of the supplemental estimate.

(The statements referred to follow:)

PURPOSE STATEMENT

Origin.—The Commodity Credit Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States. From October 17, 1933, to July 1, 1939, the CCC was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, the CCC was transferred to the United States Department of Agriculture by the President's Reorganization Plan I. Approval of the Commodity Credit Corporation Charter Act on June 29, 1948 (Public Law 806, 80th Cong.), established the CCC, effective July 1, 1948, as an agency and instrumentality of the United States under a permanent Federal charter. The charter was amended by Public Law 85, Eighty-first Congress on June 7, 1949.

Management.—The CCC is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairman of the board. The board consists of six members (in addition to the Secretary of Agriculture), who are appointed by the President of the United States by and with the advice and consent of the Senate.

In addition to the board of directors, the Corporation has an advisory board whose five members are appointed by the President of the United States. Not more than three of the members may belong to the same political party. The advisory board meets at least every 90 days to survey the general policies of the Corporation.

Price support.—The Commodity Credit Corporation is the instrumentality through which agricultural commodity prices are supported. Under the Agricultural Act of 1949 (supplemented by Public Law 163, 79th Cong., approved July 28, 1945, with respect to tobacco and by Public Law 471, 81st Cong., approved March 31, 1950, with respect to peanuts and Irish potatoes), price support is required for (*a*) basic commodities (cotton, corn, wheat, tobacco, rice, and peanuts) and (*b*) designated nonbasic commodities (wool, mohair, tung nuts, honey, milk, butterfat, and the products of milk and butterfat but not for Irish potatoes after the 1950 crop unless marketing quotas, for which no authority now exists are in effect). Price support for nonbasic agricultural commodities, other than the designated commodities, is not mandatory but is authorized under legally prescribed conditions.

Supply purchases.—Another important program of the CCC is the procurement of agricultural products to meet the needs of United States Government agencies (principally those administering relief programs abroad), cash-paying foreign governments, and international relief agencies. The CCC also has authority to purchase abroad commodities to meet both domestic and foreign requirements, and to carry out certain exchange operations. Procurement is made during peak marketing seasons and is closely coordinated with the price-support program to provide the maximum benefit to American agriculture. The act of July 16, 1943, requires that the Corporation be fully reimbursed for services performed, losses sustained, and operating costs incurred for commodities purchased or delivered to or on behalf of any other Government agency. Supply program participants are usually required to advance funds in an amount to equal the estimated costs of the commodities to be procured.

Storage facilities.—Under the storage facilities program, the Corporation (1) purchases and maintains granaries and equipment for care and storage of Commodity Credit Corporation owned and controlled grain; (2) makes loans for the construction or expansion of farm storage facilities; (3) provides storage use guaranties to encourage the construction of commercial storage facilities; and (4) undertakes such other operations as are necessary to provide storage adequate to carry out effectively and efficiently the Corporation's programs.

The Corporation may, with the consent of the agency concerned, utilize facilities of any other agency of the Federal Government. The Corporation, under this authority, makes extensive use of the personnel and facilities of the Production and Marketing Administration in carrying out Corporation activities.

The costs of CCC price-support and storage-facilities activities are financed from its capital funds which are derived from its authorized capital stock of $100,000,000 and its authority to borrow $6,750,000,000 on the credit of the United States. The bulk of these costs result from loans, the purchase of commodities, carrying charges and related expenditures in connection with commodities owned by the Corporation, direct losses, and interest charges. Offsetting these costs are receipts from sales of commodities and interest income.

Administrative expense limitation:

Estimated, 1951	$16, 350, 000
Budget estimate, 1952	20, 200, 000

(A) ADMINISTRATIVE EXPENSES

Appropriation Act, 1951	$16,350,000
Anticipated supplemental, 1951 (H. Doc. No. 724)	3,850,000
Base for 1952	20,200,000
Budget estimate, 1952	20,200,000
Change	----------

The budget estimate for administrative expenses is based on the commodity estimates for fiscal year 1952. The accuracy of the commodity estimates are dependent upon numerous factors such as weather conditions, volume of agricultural production in this country and foreign countries, economic conditions generally, mobilization needs, and other complex and unpredictable factors. A change in any one of these factors or any combination could result in substantial changes in the program estimates. Since the administrative expenses required are based insofar as possible on the program estimates, they in turn would be subject to change.

The program budget estimates for fiscal year 1952 are based on the assumption that yields would continue at high levels in the crop years 1950 and 1951. Accordingly, the grain inventories owned by the Corporation are estimated to increase somewhat over the quantities owned during fiscal year 1951. Thus, administrative funds required in connection with acquisitions, dispositions, and management of grain stocks are estimated to be slightly above the estimated 1951 costs for such operations. Storage facilities purchased for the storage of CCC-owned grains have increased from about 44,000,000 bushels of capacity as of July 1, 1949, to 547,000,000 bushels of capacity as of December 31, 1950. Further increases are anticipated before the end of fiscal year 1952. It is estimated that administrative costs in connection with supervision of the maintenance, care, and operation of bin-type storage facilities will increase for fiscal year 1952 because of the expanded program.

Offsetting these estimated increases are estimated decreases in administrative costs for (1) the cotton and cottonseed programs and (2) discontinuance of price support operations for potatoes and eggs.

The following tables reflect by commodity and fiscal year the estimated number of loans made and the inventories owned by the Corporation.

Comparison of estimated number of loans made, fiscal years 1951 and 1952

Commodity	Fiscal year 1951 (estimated)	Fiscal year 1952 (estimated)
Barley	11,450	11,450
Beans, dry edible	10,450	10,700
Corn	265,800	225,200
Cottonseed		13,300
Flaxseed	20,600	13,750
Oats	12,700	12,700
Peanuts	120	100
Peas, dry edible		
Potatoes		
Rice	2,000	2,000
Rye	2,950	2,200
Seeds:		
Hay and pasture	3,650	2,900
Winter cover crop	2,600	2,500
Sorghums, grain	37,800	30,250
Soybeans	15,500	13,550
Wheat	291,600	349,100
Total (excluding cotton)	677,220	689,700
Cotton [1]	100,000	2,000,000
Total loans made	777,220	2,689,700

[1] Each bale of cotton represents a workload unit.

Administrative expenses, Commodity Credit Corporation, 1951

Limitation to date	$16, 350, 000
Obligations to Dec. 31, 1950	10, 313, 717
Expenditures to Dec. 31, 1950	8, 711, 930
Request (for 3 months from Apr. 1, 1951)	3, 850, 000
Employment:	*Man-months*
Average number current limitation	3, 188
Number involved this estimate	920
Actual employment, Dec. 31, 1950	3, 879. 3

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

The fiscal year 1951 is the first in recent years that the Corporation has been faced with the task of managing large inventories and at the same time making settlements with thousands of producers, warehousemen, and others incident to the acquisition of inventories from past-year crop operations, and, in addition, providing price support on current-year crops. Approximately 4,000 employees have been employed to handle this workload since the beginning of the fiscal year. The supplemental funds requested are required to retain these employees throughout the fiscal year 1951. Without these employees the Corporation will be forced to discontinue certain phases of its operations. Since it is mandatory that the price of basic and designated nonbasic commodities be supported, the only alternative would be to neglect the inventory maintenance and settlement work. This would result in heavy losses to Government property.

The inventory management workload was underestimated when the 1951 budget was prepared. The inventory of 2.6 billion dollars at the beginning of the fiscal year consisted of about 30 different commodities stored in approximately 16,800 different locations, including approximately 3,500 bin sites, 10,000 grain warehouses and elevators, and 3,300 other facilities for dairy products, eggs, and other commodities. In addition, the character of the inventory is somewhat different than was anticipated when the 1951 budget was prepared. This is particularly true with respect to dairy products where the inventory is twice as large. This inventory of dairy products and certain other commodities such as beans, seeds, eggs, honey, peas, and oils are stored on an identity-preserved basis which requires much more work than bulk inventories. Unless this work is done huge losses will result.

Record crop production and increasing carry-over stocks have resulted in an acute shortage of storage space in the heavy producing areas. This has necessitated increased movement of CCC-owned commodities from those areas to areas where space is available. This situation is further aggravated because space must be provided for new crops. This requires the movement of CCC-owned grains from country points to terminals to make space available for the new crops. Without such movements large quantities of new crops would have to be stored on the ground and subjected to severe damage with resulting loss to the producers.

The Corporation now owns approximately 124,100 grain bins located at about 3,500 different sites. Extremely limited attention could be given to the supervision of these facilities and the grain stored in them with administrative funds presently available. This undoubtedly would result in huge losses. Also, there is a heavy administrative workload in connection with reconciling the bin records, reconciling grain inventories placed in the bins, taking physical inventories of such grains, and accounting in detail for both the inventories and the movements in and out of the bins.

A more detailed explanation of the need for additional funds is attached.

PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

It is estimated that an additional $3,850,000 above the amount contained in the General Appropriation Act of 1951, will be required to finance personnel employed to handle primarily the workload in connection with managing commodity inventories of the Commodity Credit Corporation during the fiscal year 1951. The estimate is based upon a detailed survey of field operations of the Corporation concerning administrative requirements to perform the work associated with inventory management.

The fiscal year 1951 is the first in recent years that the Commodity Credit Corporation is confronted with the task of managing a large inventory of agricultural commodities and at the same time making settlements with thousands

of producers, elevators, warehousemen, and others incident to the acquisition of additional inventories from past-year crop operations, and, in addition, providing price support on current-year crops. The cost of performing the storage, inspection, maintenance, accounting, and other work in connection with the management of inventories was underestimated in the formulation of the budget for the fiscal year 1951; consequently, it has been necessary to increase the field office personnel in order to make prompt settlements with elevators, warehousemen, banks, producers, and others with respect to commodities acquired from 1949 crops.

The impact of the increase in the volume of price-support loan operations first occurred when 1948 crops were harvested in the spring and early summer of 1948, or the fiscal year 1949. The job of settling with producers, warehouses, banks, and other cooperating agencies, occurred later on in the summer and fall of 1949, i. e., in the fiscal year 1950. This arose, of course, mainly in connection with the acquisition by forfeiture of loan collateral and deliveries under purchase agreements of record quantities of cotton, wheat, corn, other grains, and other commodities. The inventory management work assumed rapidly increasing proportions during the later part of the fiscal year 1950, and it is now certain that this heavy workload will continue throughout the fiscal year 1951. The continued lack of commercial storage space has considerably magnified the administrative workload involved in managing CCC inventories. In addition to the task of locating adequate storage space there is also the necessity for a large number of additional movements of grains and other commodities from one place to another in order to make full use of such storage space as is available. Also, the Corporation is now operating a system of grain storage structures with an aggregate capacity nearly as large as that of all of the terminal warehouses in the country, and it is proposed to increase CCC storage facilities in 1951 fiscal year by 225,000,000 bushels of bin-type capacity. This operation, which began in the fiscal year 1949, is just now beginning to be reflected in a heavy administrative workload in the form of reconciling records of inventories of grains placed in the bins, taking physical inventories of such grains, and accounting in detail for both the inventories and the movements in and out of the bins.

The inventory of the Corporation consists of about 30 different commodities stored in approximately 16,800 different locations, including approximately 3,500 bin sites, 10,000 grain watehouses and elevators, 3,300 other facilities for cotton, dairy and poultry products, and naval stores. Arranging for transportation and warehouse space, paying freight bills and warehouse charges, and maintaining necessary records on such a huge quantity of commodities stored in so many locations represents a tremendous amount of administrative work. This work must be performed timely if the public property is to be protected adequately. It is imperative that the Corporation be in a position to carry out its inventory management operations in as effective a manner as possible in order to hold spoilage and deterioration to a minimum while, at the same time, making commodities stocks available as needed. Another factor which was not anticipated in earlier estimates is the high administrative costs in connection with the donation of commodities under section 416 of the Agricultural act of 1949. A large number of small lots of dairy and poultry products are being donated to eligible claimants pursuant to this authority. The movement and disposition of numerous small lots of commodities is much more expensive to handle than the work involved in handling movements of large quantities of commodities.

While there are some decreases in inventories of some commodities from the 1951 budget estimates, the following specific program developments which were not anticipated when the 1951 budget was prepared more than offset the workload reduction.

1. The July 1, 1950, wheat inventory was approximately 328,000,000 bushels. This was an increase of about 100,000,000 bushels over the budget estimate. Latest crop reports indicate another crop of over 1,000,000,000 bushels which will undoubtedly add to the price-support program inventory workload.

2. Current estimates of price-support operations for dairy products are more than twice as large as the budget estimate. The July 1, 1950, inventory consisted of 583,000,000 pounds of butter, cheese, and nonfat dry milk compared with the budget estimate of 240,000,000 pounds. Storage space for such commodities is practically unavailable in some areas, thus requiring the transfer of inventories to other areas and increasing the workload at both the transferring and receiving points. Recently, sales of butter, cheese, and nonfat dry milk have increased substantially, thus relieving the storage problems somewhat. However, work in

connection with the execution of sales contracts such as pricing, grading, arranging for shipments, settling with warehousemen, etc., has offset any work decreases occurring in inventory management.

3. The grain sorghum inventory on July 1, 1950, was 73.7 million bushels. This is almost 3 times as large as the estimated inventory contained in the 1951 budget. Another large crop is indicated from which stocks will probably be acquired.

4. It is estimated that 225,000,000 bushels of bin-type capacity will be purchased during fiscal year 1951 for the storage of corn and other grains. When the 1951 budget was prepared it was estimated that commercial facilities would expand sufficiently to care for most of the anticipated increase in grain supplies. The increase in commercial facilities did not occur; therefore, the budget estimate of CCC purchases of 50,000,000 bushels of bin-type capacity is insufficient to meet requirements.

This estimate will provide for approximately 920 man-years of employment over the 3,188 estimated to be provided under authorizations for the fiscal year 1951. It is estimated that the greater part of the supplemental will be used to finance personnel already on the rolls. Current available funds of $16,350,000 will finance employment through the first week of April 1951.

The estimate of $20,200,000 for administrative expenses required in the fiscal year 1951 was based upon a detailed budget survey of each field office made during May and June, 1950. The supplemental authorization required for 1951 represents the difference between this amount and the limitation of $16,350,000 approved in the General Appropriation Act, 1951. It became evident during the spring and early summer of the fiscal year 1950 that the administrative work which the Commodity Credit Corporation had to perform in connection with the acquisition and management of rapidly increasing commodity inventories, was considerably greater and more costly to perform than had previously been anticipated. Due to the limited experience that the field offices had in carrying large scale price support inventory responsibilities, there was little or no experience on which to predicate their needs in terms of personnel to do the job, and a detailed survey became a necessity.

The budget survey developed the average and relative costs of carrying out various segments of price support activities such as the work involved in (1) the loan making period; (2) the loan liquidation period; (3) purchase operations; (4) dispositions; and (5) inventory management. The survey was based on the estimated program volume to be handled by each commodity office in the fiscal year 1951. Using the results of the survey (i. e., costs per unit of work) the program volume estimates for the fiscal year 1951, were converted into an estimate of the cost of carrying out the program in 1951.

The following table illustrates the large increase in the inventory management operations of the Corporation, and the work load confronting the Corporation during the fiscal year 1951:

Comparison of beginning inventories, price support program, actual fiscal years 1947–51, inclusive, and estimated beginning inventory as reflected in the President's budget for fiscal year 1951

	Fiscal year 1947 (actual) beginning inventory	Fiscal year 1948 (actual) beginning inventory	Fiscal year 1949 (actual) beginning inventory	Fiscal year 1950 (actual) beginning inventory	Fiscal year 1951	
					Actual beginning inventory	In President's budget beginning inventory
	In thousands of bushels					
Barley				24,934	31,497	30,000
Corn				5,648	332,450	415,000
Flaxseed	2		105	17,525	13,374	16,813
Oats				9,881	12,109	5,000
Rye				778	515	
Sorghums, grain				24,392	73,705	25,000
Soybeans	2,186	3		10,343	53	10,000
Wheat			1	227,178	327,654	225,000
Total	2,188	3	106	320,679	791,357	726,813
	In thousands of pounds					
Beans, dry edible				482,486	968,710	894,700
Chickens						5,000
Cottonseed					422,000	
Cottonseed products:						
Cottonseed oil					17,301	
Cottonseed meal					145,308	
Cotton linters					60,818	
Dairy products:						
Butter				6,386	161,649	50,000
Cheese					58,902	40,000
Milk, evaporated						50,000
Milk, nonfat dry		94,356		83,410	362,932	100,000
Eggs	3,218	76,581	50,295	63,187	93,919	10,000
Flax, fiber			89	236		
Fruit, dried				14,906		
Hemp	21,313		1,246			
Linseed oil			371	295,836	471,667	492,685
Mohair						800
Peanuts	1,411	14,111	2,904	94,094	5,668	
Peas, dry edible				40,282	91,226	20,000
Potato starch				10,636	9,713	
Potatoes, Irish	18,300	301,200	96,000			
Rice				1,074	68,996	291,100
Rosin				210,876	384,686	322,400
Seeds, hay and pasture	19,938	9,227	8,333	725	5,761	1,000
Seeds, winter cover crop		21,624	33,208		7,365	1,000
Sugar		103,852				
Tobacco	9,816		6,385	3,534	2,615	
Tung oil			6,761			
Turkeys		1,566				
Vegetables, canned	736					
Wool	477,921	424,660	166,654	96,020	455	96,020
Total	552,653	1,047,177	372,246	1,403,688	3,339,691	2,374,705
	In thousands of bales					
Cotton	1,342	13		1	3,415	3,036
	In thousands of gallons					
Turpentine			1,900	3,410	2,587	5,000

General Statement

Mr. Whitten. We are glad to have with us this morning Mr. Ralph Trigg, President of Commodity Credit Corporation and Administrator of Production and Marketing Administration.

Mr. Trigg, we will be glad to have your general statement.

Mr. Trigg. Thank you, Mr. Chairman.

I appreciate the opportunity of appearing before your committee to discuss the programs, policies, and operations of the Commodity Credit Corporation. I have always had the feeling, following previous appearances before this committee, that you gentlemen were completely aware of the tremendous impact the Corporation has upon the economy of the country and the magnitude of the problems the Corporation faces in carrying outs its various programs.

Today, I would like to discuss with your committee the budget estimates of the Corporation for the fiscal year 1952, and an increase in the administrative expense limitation for the fiscal year 1951.

OBJECTIVES OF COMMODITY CREDIT CORPORATION

Before I discuss these problems I would like to reiterate the primary objectives of the Commodity Credit Corporation. I have said this before—but for the record—I would like to say it again: Since the creation of the Corporation in 1933 its functions and responsibilities have been greatly enlarged. Throughout the entire history of this agency, however, its primary objectives have been (1) the stabilization of our agricultural economy by assuring farmers a fair return for their products and aiding consumers by maintaining a supply of agricultural commodities sufficient to meet all demands; and (2) making it possible for farmers to market their commodities in an orderly manner. Price-support loans permit farmers to secure cash at harvest time, when market prices are often at their lowest point, and to hold their commodities until more favorable returns can be secured. Thus, commodities tend to flow into the market at a relatively even rate rather than in the "feast and famine" manner of the pre-price-support era.

During World War II and the period immediately following, the Corporation's resources were used to aid in obtaining through price support and foreign and domestic purchases the quantities and kinds of foods and agricultural products required to meet unprecedented domestic and foreign requirements. During these periods, the American farmer met every demand that was made of him. New production and yield records were established, while at the same time our agricultural economy was strengthened. During this period production was about 37 percent above our prewar levels.

During the present national emergency, production demands on farmers will be even greater. If the farmer is to meet these production demands he must be assured that the Nation stands behind him. The 1952 budget proposes that resources of the Commodity Credit Corporation be used again in obtaining an adequate production of agricultural commodities to meet this emergency.

CHANGES IN INVENTORIES

When I appeared before your committee last year, we were concerned about the large inventories of certain nonstorable commodities and we were seeking ways and means of disposing of them. Even then, however, we anticipated no particular difficulties with respect to storable commodities such as cotton, corn, and wheat. The Corporation's holdings of these named commodities did not then, and do not now, represent burdensome surpluses. Rather, they constitute stockpiles essential for the protection of our national security.

Today the picture has changed. Our inventories of certain commodities have been greatly depleted. On July 1, 1950, we had over 162,000,000 pounds of butter. Today we have practically no butter. Cheese—we had about 59,000,000 pounds on July 1—today, we have no cheese. Dry milk—on July 1, we had over 363,000,000 pounds—today, about 90,000,000 pounds. On July 1, we had over 3.4 million bales of cotton—today, we have less than 100,000 bales of cotton. I mention these facts in order to demonstrate the impossibility of determining precisely our budgetary requirements on either a program or performance basis. Our estimates are based to a considerable extent on factors over which we have no control, such as weather conditions, insect infestations, and the over-all international situation.

MAJOR ASSUMPTIONS IN BUDGET ESTIMATES

The Corporation's budget estimates for the fiscal years 1951 and 1952 were based on the following assumptions: (*a*) That national income and industrial activity will continue their upward trend; (*b*) that agricultural prices will tend to stabilize at or near the levels prevailing during the last 6 months of the calendar year 1950; (*c*) that yields will be in line with recent averages: (*d*) that production will continue at high levels; (*e*) that acreage allotments will be in effect for 1951 crops on all basic commodities other than cotton.

Now, with respect to these assumptions, changes have occurred.

The Secretary has announced that there would be no acreage allotments on the 1951 crop of wheat, corn, and rice. In addition, on February 2, the Secretary announced production guides for major spring planted crops. These guides call for an increase of 2,000,000 acres in corn over that contemplated in the budget estimates and an increase of 1,000,000 acres of wheat over the budget estimates. The effects of these increases are not reflected in the budget estimates.

FINANCIAL POSITION

Financially, the Corporation is in a better position today than a year ago. The budget estimates for the fiscal year 1951—prepared a year ago—indicated that we anticipated a net loss for the year of about $510,000,000. The budget estimates before you, anticipate a deficit of $35,000,000 for the same period. A year ago we estimated that the activities of the Commodity Credit Corporation would result in a net withdrawal of about $926,000,000 from the Treasury during the fiscal year 1951. Today, for the same period, we estimate that we will deposit in the Treasury about $150,000,000. On January 29, 1951, the Treasury daily statement reflected net cumulative budgetary receipts for the Corporation of over $421,000,000 for the

fiscal year 1951. Just a year earlier, the statement reflected a net expenditure of over $1,202,000,000 for the fiscal year 1950.

These changes are indicative of the fact that no matter how good estimates appear to be when made, and no matter what the assumptions and conditions upon which the forecasts were predicated, changes in weather conditions, economic levels, and the foreign situation, may invalidate the assumptions and result in drastic revision of the budget estimates.

STORAGE FACILITIES

I will not take up the time of the committee to review in detail the purposes of the major types of programs, since they are set forth in the budget document and in the explanatory notes before you. However, I would like to call your attention to the fact that there are no estimates for price support on potatoes and eggs in the 1952 budget. I should also like to point out that the storage situation is favorable at present, due to substantial increases in exports, heavy feeding and the purchase of grain bins. Of course, it must be realized that there will be some areas where storage deficits will develop especially at harvest time, but I feel that adequate steps can be taken to alleviate any such conditions. Also, we have aided in the increase of commercial storage facilities by storage-use guarantees covering storage facilities having more than 80,000,000 bushels of capacity, and have guaranteed or made loans to farmers for the construction of storage facilities having a total capacity of about 70,000,000 bushels.

ADMINISTRATIVE EXPENSE REQUIREMENTS

I would now like to discuss the need for an increase of $3,850,000 in the administrative expense limitation for the fiscal year 1951. Including this supplemental we would have $20,200,000 available for this fiscal year—the same amount as is provided in the budget estimates for the fiscal year 1952. This supplemental was submitted to the Congress on November 29, 1950.

It became apparent to us when we were developing the budget estimates for the fiscal year 1952 that we would not have sufficient funds for administrative expenses during the fiscal year 1951. While we did request your committee for an increase in the fiscal year 1951 above what we had in the fiscal year 1950, we underestimated the amount of personnel and funds required to perform storage, inspection, maintenance, accounting, and other work in connection with adequately protecting the investment of the Commodity Credit Corporation. The fiscal year 1951 is the first in recent years in which the Corporation has been confronted with the task of managing such large inventories and at the same time making settlements with millions of producers and thousands of elevators, warehousemen, and others incident to the acquisition and disposition of agricultural commodities, in addition to providing price support on current crops.

While there were some decreases in the beginning inventories of certain commodities below the 1951 budget estimates, there was an over-all increase in grain inventories of about 75,000,000 bushels and an increase of about a billion pounds in other commodities, such as dairy products, cottonseed products, and others. The funds we are requesting do not provide for an increase in the present staff, but will provide funds to pay the present staff from April 12 through June 30.

A comprehensive survey was made during May and June 1950 to ascertain the amount of manpower and money required to perform the functions of the Commodity Credit Corporation. The survey threw light on the number of workload units to be processed and the manpower and costs required to process those workload units. These factors were applied to the estimated program volume in arriving at the total funds required. The administrative expense requirements for the fiscal year 1952 were determined on the same basis.

We have exerted every effort to keep our administrative costs at a minimum—we have, for example, cut 248 employees from our payrolls in the current fiscal year. At the same time we feel compelled to take whatever action is necessary to protect the Corporation's multi-billion-dollar investment. It would be poor economy to risk losing a dollar by failing to spend one-tenth of a cent.

DEFENSE ACTIVITIES

Before concluding, I would like to mention some of our recent activities that have direct defense implications. We have been purchasing foreign wool which will be held by the Army as a defense reserve; we are buying American-Egyptian cottonseed to insure that sufficient planting stock is available to meet essential requirements; at the request of the Munitions Board, price-support and foreign-purchase programs have been announced as a means of securing an adequate supply of long-staple cotton. Also, at the request of the Munitions Board we have announced a program to increase the supply of castor oil. Practically all our supplies of this oil, needed by the military for high-altitude greases, hydraulic brake fluid and protective coatings, are now obtained abroad. The Corporation also plans to hold certain quantities of cotton linters and naval stores obtained under price-support operations as strategic reserves for the Munitions Board. We have traded agricultural commodities for strategic materials needed by the Munitions Board. While the Corporation's resources will be used to finance these activities, we do not anticipate any eventual dollar losses, because our present plans call for full reimbursement.

We cannot foresee as accurately as we would like the extent of the demands on the Corporation resulting from the present national emergency. An all-out production effort has been requested for several crops. If changed conditions should result in a lessening of foreign or domestic demand, the Corporation must be prepared to see that the farmer is not penalized for his compliance with this request. If the world situation grows worse, the volume of some of the Corporation's activities may exceed the budget estimates and the Corporation's budgeted programs may be expanded to cover commodities not shown in the budget estimates.

Financial Statement and Status of Inventories

Mr. Whitten. Mr. Trigg, I wish you would prepare a table showing a comparison between what inventory you had last year at this time, showing what you had last year in purchases and loans and what your current situation is.

(Note.—Additional data on inventories may be found in table on pages 121 et seq.)

Also please furnish a comparison of your financial position at the time that it was stated that you anticipated these losses and as of today. While at best it will be an estimate, we would like to have such information as you have.

Mr. TRIGG. Yes; we will do that.

(The tables requested follow:)

Statement of financial condition

	As of Dec. 31, 1949	As of Dec. 31, 1950
ASSETS		
Cash	$13,677,930	$20,541,239
Loans:		
Commodity loans held by Commodity Credit Corporation	957,084,379	595,285,395
Commodity loans held by lending agencies	764,053,901	284,711,175
	1,721,138,280	879,996,570
Less reserve for losses	116,351,500	5,120,000
Commodity loans (net)	1,604,786,780	874,876,570
Storage facility and equipment loans held by Commodity Credit Corporation	4,691,209	11,953,498
Storage facility and equipment loans held by lending agencies	2,701,262	5,866,495
	7,392,471	17,819,993
Commodity inventories (cost)	1,761,651,312	1,943,709,750
Less reserve for losses	385,502,000	305,973,000
	1,376,149,312	1,637,736,750
Commodities under contract to purchase	19,341,167	2,978,237
Less reserve for losses	13,285,000	1,479,000
	6,056,167	1,499,237
Accounts and notes receivable	189,980,077	217,580,154
Less reserve for losses	5,525,478	5,408,783
	184,454,599	212,171,371
Accrued assets	3,247,215	2,160,354
Fixed assets (net)	53,386,432	111,960,999
Other assets	128,221,149	5,400,034
Total assets	3,377,372,055	2,884,166,547
LIABILITIES		
Borrowings:		
From U. S. Treasury	2,566,000,000	2,736,000,000
From banks	10,452,647	790,940
	2,576,452,647	2,736,790,940
Obligations to purchase commodity loans held by lending agencies	764,053,902	284,711,175
Obligation for guaranty of storage facility and equipment loans held by lending agencies	2,701,262	5,866,496
Trust and deposit liabilities	127,356,246	86,444,761
Accounts payable	37,891,868	22,565,594
Accrued liabilities	157,411,678	51,517,078
Deferred income	3,183,484	3,034,660
Other liabilities	26,451,672	31,206,309
Reserve for producers' equity—Disposition of price support inventories		66,956,760
Capital stock held by U. S. Government	100,000,000	100,000,000
Surplus (or deficit*)	*418,130,704	*504,927,226
Total liabilities	3,377,372,055	2,884,166,547

Commodity inventories estimated as of Feb. 12, 1951

Branch and commodity	Estimated quantity	Approximate unit cost	Estimated aggregate cost (thousands)
Cotton:			
1949 cotton, American-Egyptian	631 bales	$265.00	$167
1948 cotton, upland	15,848 bales	185.00	2,932
1949 cotton, upland	80,393 bales	180.00	14,470
Cotton linters, second	6,000 bales [1]	42.00	252
Dairy:			
Butter	7,400,000 pounds [2]	.63	4,662
Milk, dried	82,100,000 pounds	.13	10,673
Fats and oils:			
Linseed oil	516,385,000 pounds	.285	147,170
Peanuts, farmers' stock	24,296,000 pounds	.103	2,502
Tung oil	1,566,000 pounds	.245	384
Grain:			
Grains:			
Barley	20,490,000 bushels	1.50	30,735
Beans, dry, edible	6,686,000 hundredweight	8.21	54,892
Corn	411,543,000 bushels	1.55	637,892
Grain sorghums	16,103,000 hundredweight	2.73	43,961
Oats	11,425,000 bushels	.95	10,854
Peas, dry, edible	4,000 bushels	3.83	15
Rice, milled	223,000 hundredweight	9.62	2,145
Wheat	229,657,000 bushels	2.41	553,473
Flaxseed	2,934,000 bushels	4.33	12,704
Seeds, hay and pasture	607,000 pounds	.2271	138
Seeds, winter cover crop	14,547,000 pounds	.0624	907
Livestock:			
Mexican canned beef	15,571,000 pounds [1]	.19643	3,059
Wool (sample and experimental)	31,000 pounds	.5528	17
Poultry: Eggs, dried, 1950	67,711,000 pounds	1.00	67,711
Tobacco:			
Naval stores:			
Rosin, 1948	16,848,000 pounds	.0820	1,382
Rosin, 1949	152,638,000 pounds	.0689	10,517
Turpentine, 1949	542,000 gallons	.4328	235
Tobacco, Wisconsin	2,263,000 pounds	.2898	656
Total			1,614,505

[1] Withdrawn from sale.
[2] Entire lot committed for sale.

NOTE.—This report reflects operating data taken from various sources and is, in part, based on preliminary estimates. The official inventory of the corporation, as taken from its accounting records, is that contained in the monthly report of financial condition and operations.

Mr. WHITTEN. I think you have made a very fine report. I want to say at the outset that I have followed your work with the Commodity Credit Corporation and I think you have shown a splendid capacity to handle the work; and, I may add, I think you have grown in the course of your handling of this problem. I mean that as a compliment, because, to be perfectly frank, the operation of the Commodity Credit Corporation is almost more than any one man can handle. I think you have done a splendid job.

Mr. TRIGG. Thank you.

NEED FOR ESTIMATED OPERATING EXPENSES

Mr. WHITTEN. On the other hand, there are some things in connection with its operation that I wonder about. I realize the tremendous amount of work you have had during normal times and the tremendous amount involved in the defense program. I realize that you have moved a lot of these commodities and that it takes a lot of manpower to keep the records, to complete the transactions, and to move the commodities that you buy. I cannot see, however, under present conditions how you can figure you will have the same sized operation for the next year.

I take it that this work you are doing for national defense will be provided for from defense funds. That is the way it was done before

and the chances are that any money that you would be required to spend for defense work would be made available the 1st of July.

Mr. TRIGG. Mr. Chairman, if I may answer that by starting out with a discussion of the additional $3,850,000 which we are asking for in the supplemental: We foresaw the need for that before the end of the last fiscal year and we did not propose to submit the request, as you remember, at the time that Congress was winding up its work here in the consideration of last year's appropriation bill. The management of the terrific volume of inventories that we had on hand and had to keep track of is largely responsible for this supplemental request.

Now, insofar as last year is concerned, we still have the responsibility for announcing and carrying out the price-support program on the commodities that are designated by the Congress and also those that are announced by the Secretary.

EMPLOYMENT IN COMMODITY CREDIT CORPORATION

Mr. WHITTEN. You have a heavy responsibility. How many employees do you have in Commodity Credit Corporation?

Mr. TRIGG. We have approximately 3,900 man-years; these people are not all employed full time, but that represents man-years of time put in on this work.

Mr. WHITTEN. This addition of $3,850,000 is to pay for the 3,900 employees?

Mr. TRIGG. Yes; from April 12 to June 30. We will be out of money entirely on April 12 at the rate we are going.

Mr. WHITTEN. Your operation is not handled by the employees of the Commodity Credit Corporation but by employees of the PMA?

Mr. TRIGG. The employees per se are PMA employees, but the time they spend in connection with the Commodity Credit Corporation operations is charged against the budget of the Commodity Credit Corporation.

Mr. WHITTEN. You are paying the 3,900 employed by Commodity Credit Corporation with PMA funds; that is, PMA employees are charged to the Commodity Credit Corporation?

Mr. TRIGG. Mr. Chairman, that represents man-years. The total employment in the Production and Marketing Administration is a little over 12,000 people. Now, the time of those people, at whatever level they are working, from the President of the Corporation, from the Administrator of the PMA right on down, spent in connection with the Commodity Credit Corporation programs is charged against the budget of the Commodity Credit Corporation.

Mr. WHITTEN. Mr. Trigg, as you know, I have been a strong believer in the PMA program and in the support program. But many charges have been made to me that funds are so handled in PMA that nobody can tell what is going on. When you do not have funds for the Commodity Credit you can use funds for PMA. You have three administrative funds, and if you are running short in one you can shift over to the one where you have funds left.

Mr. TRIGG. Mr. Chairman, that might seem to be a possibility; you might say a probability, looking at it from that standpoint. But actually it is not done that way.

These programs are estimated long in advance, and the amount of manpower that is going to be required is estimated. We know from the system that we have in use how much time is spent on the Commodity Credit programs, on the Marketing Services program, and on other programs.

The purpose behind this arrangement is to prevent the duplication of organization; it would be simpler but more costly for PMA to handle it otherwise, but it is through the PMA handling the Commodity Credit Corporation programs that we avoid duplication. We do not just arbitrarily shift from one fund to another, depending upon whether we have sufficient funds. If that were the case there would be no need for us, to come up here and ask for a supplemental appropriation. We are very careful to see we do not use the funds of one appropriation to take care of the work of another program.

Mr. WHITTEN. This 3,900 does not represent employees of the Commodity Credit Corporation; it represents the amount of time that you say the PMA employees work for Commodity Credit?

Mr. TRIGG. That is correct.

Mr. WHITTEN. If you should not get the amount you are estimating for, you could do with 3,000 man-years, or you could get by with just 2,000 and go ahead and pay them out of PMA funds. With this additional money made available, you will have that much more for the Commodity Credit Corporation and the PMA on a combined basis.

Mr. TRIGG. Mr. Chairman, it is not——

Mr. WHITTEN. The amount of funds in large part depends upon the amount of time that will be put in. At best it is a guess, is it not?

Mr. TRIGG. Mr. Chairman, the charges are not based on an estimate of the amount of time that is going to be charged. This is done after the time is spent on the work program . The amount of money is calculated for the time spent and is allocated against the budget of the Commodity Credit Corporation. If the money that is requested here is made available, the $3,850,000, it will not be used for any program other than the Commodity Credit Corporation.

Mr. WHITTEN. That is true, but the more people you are able to charge to the Commodity Credit Corporation the less you will have to charge to PMA. There are just so many hours in the day, so many days in the month, and so much working time, and the more of that time you charge to one the less you will have to charge to the other.

Mr. TRIGG. Let me add this, that in the Commodity offices out in the field, Mr. Chairman—and there are nine of them, what we call the PMA Commodity offices—the time of those people in those offices, practically 100 percent of it is on Commodity Credit work, and there are something over, 3,100 people out in those nine offices. There is a big block of them who are right there.

Mr. WHITTEN. Your general statement shows that you have just about gotten rid of the commodities involving a large workload next year. Since the volumes will be less, I cannot see how you can justify such an item for the Commodity Credit Corporation for 1952.

Mr. TRIGG. Mr. Chairman, let me say this, that as of February 5, we had $1,618,000,000 of commodities on hand, in inventory. On December 31 of this year we had 400,000 loans outstanding for a total of $879,000,000. We had 269,000 warehouse receipts on December 31, 1950.

Mr. WHITTEN. I can see some basis for extra funds this year, while you are completing your records and getting the payments out, but what I am questioning is your regular appropriation for next year for which you are asking the same amount as for this year.

Mr. TRIGG. We estimate, Mr. Chairman, that at the beginning inventories for the fiscal year 1952 for grain, barley, corn, and so forth, that will be 813,000,000 bushels.

On grains we estimate the ending inventory for the fiscal year 1952 would be 827,000,000 bushels.

In terms of other commodities we estimate the beginning inventory for the fiscal year 1952 would be 2,047,000,000 pounds against an ending inventory for the same period of 1,439,000,000 pounds.

Mr. WHITTEN. Whether the estimate is good depends upon the reasoning upon which it is based.

How can you estimate those large quantities under present conditions, where prices are considerably higher than the loan rate, and where demands are rather firm. How do you estimate that you are going to get those quantities?

Mr. TRIGG. Mr. Chairman, I think I would have to say this first, that the price of some of those commodities would not be as firm if it were not for the present price-support program.

Mr. WHITTEN. I am a strong believer in the price-support program. As I pointed out the other day, we have asked the farmers to produce beyond any amount we have heretofore asked for and they are going to be hurt and the prices are going to go down if the international situation clears up.

In the case of industry, when they are asked to produce they are given a firm contract with provision for depreciation to protect their total investment. We are not doing anything like that for the farmer, and it certainly is proper to guarantee them some percentage of parity.

I think the price-support programs must be retained, but if the price-support program is retained on a lot of items that you have on hand, that does not necessarily mean you are going to have an increase in the volume of commodities when prices are well above parity.

Mr. TRIGG. That is possibly true, but, as I pointed out to the committee last fall, when the price of cotton started up, you would have thought that no producer of cotton who had a loan with the Commodity Credit Corporation would not redeem his loan and sell his cotton at the market price, since the market price was higher.

As I indicated to you, that was not the case with many of them. The loan value on the cotton was less than market, and therefore it would have been natural to sell at the market price. But there were a great many farmers who did not redeem their loans.

Mr. Chairman, our thought is that the farmer is going to protect himself against conditions he cannot foresee. The farmer has no way of knowing whether or not there is going to be some slackening off of prices; there will be depression of some prices, and there will be less on others. On some items the price at the present time might be considerably higher, and on some particular commodity, such as corn or wheat, if the crop is all dumped on the market at the time of the

harvest, certainly the price will be down. Now, you will have to provide for loans, and many of them will have to secure loans, and we will have the same amount of work. The same work will be there as we have today in order to carry out our responsibility.

Mr. WHITTEN. You understand I am not discussing the maintenance of the Commodity Credit Corporation operation as against the abolition of it; I am talking about the $17,000,000 for administrative expenses as against $20,000,000. Despite the fact that the size of the program is less, you are asking for 1952 for the full amount of your estimate for this year. I am just questioning the accuracy of that estimate. Certainly there is nothing in the picture to indicate that anything like the volume of commodities will move through the Commodity Credit Corporation that you handled last year.

Mr. TRIGG. No. As far as this money is concerned, the supplemental is the amount required to pay present personnel through June 30. The estimate for 1952 is based on the amount of commodities to be handled as shown in the budget estimates.

Mr. WHITTEN. Well, Congress, I presume will still be in session and if you do not have sufficient funds you can make requests for a supplemental appropriation. If an emergency should face you, the Congress will be here practically all of the time to provide for your increased needs.

COMPARISON OF SALARY RATES

Now this next question: How do the salary rates of the PMA compare with the regular Department? People come to me periodically and say that the PMA runs high, wide, and handsome on salaries as compared with the rest of the Department. I would like to know what the facts are?

Mr. TRIGG. The average salary, Mr. Chairman, in the Department of Agriculture during 1950 was $3,929 per annum.

The average salary, as of November 30, 1950, for the Commodity Credit Corporation was $3,670. In other words, there is a difference of about $260.

The average salary in the Production and Marketing Administration during 1950 was $3,933.

I think they are fairly well in line.

I can give you some salaries from other agencies if you would care to have them.

In the Department of Commerce, the average is $4,000.

In the case of the Reconstruction Finance Corporation, $4,500.

In the Treasury, $3,500.

I guess that is all that I have with me.

Mr. WHITTEN. In respect to the Public Housing program it appeared that about 33.5 percent of the salaries were above $5,000, as developed by a committee I happened to be a member of. I do not know how it is operating now. But the charges that have come to me from time to time indicate that the salaries in the rest of the Department do not come close to your salaries. Apparently from your statement that is not correct.

ADMINISTRATIVE EXPENSES

I notice that the figures that are before the committee show that in 1950 the estimate for CCC administrative costs were running about

52 percent of the funds handled through the consolidated account in comparison with the request for 1951, which indicate they are running only about 56 percent. What is the explanation of that?

Mr TRIGG. I do not know that I understand that, Mr. Chairman. That refers to administrative expenses?

Mr. WHITTEN. Yes.

Mr. TRIGG. Running about 50 percent of funds handled?

Mr. WHITTEN. Of funds handled through the CCC account.

Mr. TRIGG. May I ask Mr. Beach to explain that?

Mr. WHITTEN. Certainly.

Mr. BEACH. You are referring to the consolidated account?

Mr. WHITTEN. Yes.

Mr. BEACH. It is true that the CCC portion of the total would be higher, considering the changes in the nature of the operations. In other words, the Commodity Credit Corporation administrative expenses, in proportion to the total amount running through the consolidated account, is larger than it was last year. The portion representing the agricultural supply program, the amount represented by markups on sales to foreign governments and other agencies of the Government, would represent a larger part of the total last year than it did this year. There has been a very small volume in the agricultural supply program this year, and therefore there is less of the total cost of operations charged to that work than there would have been in the previous year.

DETERMINING PERSONAL REQUIREMENTS

Mr. WHITTEN. Mr. Trigg, last year I asked about the employees who do not have any work to do. We were told that you attempt to keep all the folks busy and find something for them to do. Now that we have reached a problem in manpower, why not let some of them go instead of trying to find some made work for them. You are asking here for the same number of employees, the same amount of money to operate the CCC that you had last year when it is evident there is going to be a decrease in the operations carried on by the Commodity Credit Corporation. How can we justify a request of that kind to the Congress?

Mr. TRIGG. Mr. Chairman, let me say that I read the statement you made on the floor, and I did not realize you were referring to me.

Of course, we do not make work for people down there, because we have plenty of work for them to do.

Mr. WHITTEN. Do you realize that I have had 20 telephone calls and personal calls during the last 2 weeks from people who say they are not busy?

Mr. TRIGG. I would like to find some of them.

Mr. WHITTEN. Surely, and if I gave their names somebody might be in trouble. I cannot give the names, but I am sure you know that I have had men in my office from the Department who have referred to the amount of time wasted going out for coffee and standing in line. I do not know, of course, just how accurate their statements are as to the amount of time spent in that manner, but certainly it is enough for me to raise the question.

Mr. TRIGG. Surely, and I appreciate the fact, Mr. Chairman, that people will come here and say those things, and in many instances they——

Mr. WHITTEN. Do you know any reason why a regular employee in the Government, in that Department would say such things unless it were true?

Mr. TRIGG. No; I do not know; and I have no idea whether they were people from the PMA or not, but I am sure you gentlemen know that on Saturdays and even on Sundays many of the top-level people are working.

Mr. WHITTEN. I know that those who hold responsible positions do work overtime, often work day and night, and I add again that you have a very responsible job, and I do not know any man who could hold it down as well as you have, and perhaps you do not have the time to do the job as you would like. I know it is true of Members of Congress; there is no way in the world they can do the whole job; there is just too much for them to do it in a way that satisfies them. The reason I am bringing up this question is that we heard Mr. Reid, of the personnel office, say that we must depend upon the various agencies to determine how much personnel is needed.

And, Mr. Roberts, the budget officer has said that he just handles the figures, and that he does not have any set-up that would enable him to ride herd on the activities in the Department. Since it is largely up to those in the various agencies to ride herd on how many people they require, we must get the information from you.

Mr. TRIGG. I think that is right, Mr. Chairman, that each of the agency heads is responsible for determining what personnel is needed, and the utilization of that personnel in carrying out the program which they have is their responsibility.

Mr. WHITTEN. Well let us just get down to brass tacks. I think you will admit, under the present outlook, that you will not have one-half the volume of commodities for the Commodity Credit Corporation next year that you have had this year, will you not?

Mr. TRIGG. I can say that we will not be called upon to move as many big commodities, like corn and cotton, perhaps.

Mr. WHITTEN. Those are the big ones, and the situation may be different there, but across the board you will not have anything like the quantity. Then look at the perishables; there you can certainly say, with the Government laying out $5,000,000,000 worth of contracts, or whatever the figure is, that there will be a great deal more money spent for such things as apples, oranges, and commodities that move more rapidly. There is bound to be less than ever before of the amount of perishables to be handled.

Mr. TRIGG. We hope so.

Mr. WHITTEN. I cannot see where the CCC will be called upon to handle a volume this year anything like it had last year, and yet your estimate for personnel and for administrative funds for next year is the same as for this year. I think you ought to reconsider that.

Mr. TRIGG. Mr. Chairman, I cannot honestly agree that we will not be called upon to do as much work.

Mr. WHITTEN. Whether you can or cannot agree is not the point. I am asking you whether you think the estimate is one that we can justify before the Congress. If it happens to be out of line just a little bit, you can come back and ask for additional funds.

Mr. TRIGG. Of course, Mr. Chairman, we have been guided by directives laid down by the executive branch of the Government in

dealing with these problems, plus everything else we know, and we have made the best estimate that we know how to make.

Mr. WHITTEN. I am not questioning that. But, as I was pointing out, you will not be handling as big a volume of commodities for one thing.

Mr. TRIGG. Of course we will not, but it should be remembered that there could be a big change in the international situation and I think we will——

Mr. WHITTEN. I think it is risky.

Mr. TRIGG. We have to do the best we can in the light of the requests for an increase in production.

Mr. WHITTEN. That still is only a possibility. We should set these figures of administrative expenses knowing today that there is every probability that you will handle less volume. If the situation gets out of land later, you could then come back and ask for more employees for the CCC.

Mr. TRIGG. Regarding the commodities we have to handle, we have as of right now, $1,618,000,000 worth of commodities in inventory.

Mr. WHITTEN. You have that now, but what is it going to be by the 1st of July?

Mr. TRIGG. We will have some new crops at that time; our budget estimate is that we will have inventories valued at 1.9 billion dollars on July 1, 1951.

Mr. WHITTEN. Again, I am not suggesting a major reduction in expenses. I am just discussing the difference between $17,000,000 and $20,000,000 or $15,000,000 for that purpose. I think your figures can stand a lot of study for the next fiscal year.

COMMERCIAL STORAGE

You mentioned commercial storage space: Is it true you are selling some of this storage space which the Government has financed, or what is the status so far as space is concerned?

Mr. TRIGG. We are not selling any storage, none that the Government has financed. You are thinking now of grain bins that we have built. The answer is "No."

We have encouraged the construction of storage by private enterprise in every way possible. But we are not selling or disposing of any storage that we have.

Mr. WHITTEN. Do you have a table showing the storage?

Mr. TRIGG. We have 546,687,981, bushels of storage capacity, owned by Commodity Credit Corporation.

Mr. WHITTEN. How do you handle that operation?

Mr. TRIGG. How do we handle it?

Mr. WHITTEN. Yes.

Mr. TRIGG. We handle the operations through our PMA State and county committees; most of the bins are located in probably some thirty odd States.

Mr. WHITTEN. Are your PMA committees especially fitted to handle this type of work?

Mr. TRIGG. We feel they are; they are comprised of farmers who have been storing commodities on their farms, and who have been

storing them in bins and storing them in warehouses all the time they have been farming, and we feel that they are very adequately qualified, Mr. Chairman, to handle this program.

Mr. WHITTEN. You maintain a group down in the Department of Agriculture who have been doing this type of thing throughout the years, and Judge Tarver spent some time trying to get a consolidation of effort to keep them from having two sets of budgets, so they would not be running at cross-purposes. What is the situation now?

Mr. TRIGG. Mr. Chairman, because of the interest of this committee over the years in that particular problem we have consolidated under one head what we call the Transportation and Warehousing Branch, and we have the warehouse and inspection service connected with the movement of commodities under Mr. Hudtloff.

Mr. WHITTEN. About the commercial storage situation: Has it changed much, in view of the fact that you have been building all of this Government storage? Have you had the same increase in commercial storage, or have they pretty well quit expanding as a result of what the Government is doing?

Mr. TRIGG. We have not had nearly the desired increase in commercial storage—we have, of course, the Government-owned storage that I referred to a moment ago. We have been encouraging by publicity and by active programs and every way we possibly could to increase interest in building storage, because if commercial enterprises or farmers do build it there is no need for us to build, but they have not expanded capacity anywhere near what we have expanded in order to take care of this need.

As a matter of fact, there have been 79,187,132 bushels of farm storage capacity, constructed under what we call use guaranty agreements with the trade, and we have made loans to farmers to finance farm storage capacity of 77,261,570 bushels.

DATA ON VOLUME OF PRICE SUPPORT PROGRAM

Mr. WHITTEN. I have asked you for a statement showing what quantities of commodities you had last year and this year. I am going to ask you to give us an estimate of the volume of the various commodities you expect next year. I know it will be a guess, but we would like to have your best estimate of the volume of the various commodities, and then we can tell how close you have been in your figures.

Mr. TRIGG. We will be very glad to provide that statement, Mr. Chairman, and will give you all the information we can.

(The information requested follows:)

Comparison of price-support program volume data fiscal year 1950 as of Dec. 31, 1949, and fiscal year 1951 as of Dec. 31, 1950

[Quantities]

Commodity	Unit of measure	Fiscal year 1950 as of Dec. 31, 1949					Fiscal year 1951 as of Dec. 31, 1950					
		Loans made	Collateral acquired	Purchases	Sales	Inventory	Loans made	Collateral acquired	Purchases	Sales	Donations [1]	Inventory
Basic commodities:												
Corn	Bushels	50,301,438	25,910,972	72,263,803	28,021,466	76,099,828	9,868,494	91,101,150	2,773,306	28,474,347		398,911,925
Cotton, upland	Bales	2,193,125	3,781,075		69,402	3,711,811	6,450	83,599		3,399,517		97,505
Peanuts:												
Farmers stock	Pounds	333,126,892		74,253,174	12,876,864	70,594,445	547,602,991		166,085,120	139,819,326		31,437,754
Shelled	do			371,760,488	425,805,798	2,131,420			110,803,328	110,803,321		
Rice	Hundredweight.	1,207,441	531	599,851	8,039	431,820	141,102	232,568	1,939,678	2,588,420		273,759
Tobacco	Pounds	115,100,471			3,534,420		105,473,633			351,563		2,263,699
Wheat	Bushels	286,177,285	2,936,505	18,001,638	88,299,496	162,114,483	163,547,350	14,618,061	1,210,659	71,478,854		271,011,606
Designated nonbasic commodities:												
Milk and butterfat:												
Butter	Pounds			97,424,285	7,488,253	96,260,088			44,894,998	58,542,674	41,666,843	106,240,604
Cheese	do			23,148,565		23,148,193			64,970,561	23,730,507	22,095,084	78,009,930
Milk, nonfat, dry	do			206,551,375	73,928,457	215,779,300			120,343,169	151,875,141	40,889,768	290,183,860
Honey	do								931,740	687,780		243,960
Potato starch	do				200	10,632,658				4,193,863		5,518,606
Potatoes, Irish	Hundredweight.	9,623,296		7,536,279	7,535,886	2,199			17,454,124	16,121,575	1,285,367	45,141
Tung oil	Pounds								1,575,700			1,571,680
Wool	do			32,631,491	58,720,330	69,403,900			4,293	428,481		32,535
Other nonbasic commodities:												
Barley	Bushels	23,162,138	2,058,553	7,753,085	10,077,714	24,626,019	26,556,179	4,642,509	365,870	8,726,776		27,734,411
Beans, dry edible	Hundredweight.	4,206,638	198,800	87,983	252,861	4,850,795	1,061,676	778,365	153,209	1,941,923		8,673,529
Cotton, American-Egyptian	Bales	1,017	550			582		626		423		785
Cottonseed and products:												
Cottonseed	Tons	1,736		67,889	1,533	66,352		5	43	9,559		5,270
Oil, crude	Pounds								534,070	66,157,562		35,605
Oil, refined	do								24,477,993	33,078,566		1,470,799
Meal	do									319,936,124		2,782,313
Cotton linters	do									51,567,259		29,456,012

See footnote at end of table, p. 122.

Comparison of price-support program volume data fiscal year 1950 as of Dec. 31, 1949, and fiscal year 1951 as of Dec. 31, 1950—Continued

[Quantities]

Commodity	Unit of measure	Fiscal year 1950 as of Dec. 31, 1949					Fiscal year 1951 as of Dec. 31, 1950					
		Loans made	Collateral acquired	Purchases	Sales	Inventory	Loans made	Collateral acquired	Purchases	Sales	Donations [1]	Inventory
Eggs:												
Dried	do			15,640,151	9,728,378	69,036,207			25,176,841	8,170,985	8,373,752	102,567,538
Liquid or frozen	do					6,264						
Flax fiber	do				57,583	178,145						
Flaxseed	Bushels	7,359,666	109,241	231,402	3,952,789	13,943,222	595,338	1,724,602	747,447	8,551,214		7,186,252
Fruit, dehydrated or dried:												
Prunes	Pounds			58,370,030	19,138,380	49,985,455						
Raisins	do			51,714,750	32,890,980	22,972,380						
Grain sorghum	Hundredweight.	9,771,493		137,875	7,621,617	6,151,995	16,656,281	3,204,396	308,932	19,697,903		24,998,382
Linseed oil	Pounds			102,305,664	3,199,767	394,827,020			92,376,791	40,521,005		523,348,558
Naval stores:												
Rosin	do	132,049,312			37,852	210,837,798	139,590	204,732		195,824,295		189,066,254
Turpentine	Gallons	2,605,244			1,377,813	2,032,177				1,762,201		824,564
Oats	Bushels	25,413,914	1,959,519	2,213,042	2,792,649	11,258,146	10,713,908	683,780	130,457	1,300,561		11,615,499
Peas, dry edible	Hundredweight.	134,277			392,932	2,049		37,576	1,643	374,827		576,614
Rye	Bushels	615,871	68,297	190,503	245,589	775,905	1,118,993	344,204	164,614	580,394		438,698
Seeds:												
Hay and pasture	Pounds					725,422	4,598,309	64,800	103,409	2,292,741		3,636,886
Winter cover crop	do						195,480,578	6,290,000	213,000	2,400		13,852,612
Soybeans	Bushels	4,265,300	78,319	749,160	8,484,220	3,028,865	7,171,167		14,902	58,578		3,981
Sweetpotatoes	Hundredweight.			2,297	2,258							
Turkeys	Pounds			725,480		725,480			5,784,014	5,782,145		

[1] Donations under sec. 416, Agricultural Act of 1949, Public Law 439, and sec. 3, Public Law 471, 81st Cong.

Estimated price-support volume for fiscal year 1952 [1]

[Quantities]

Commodity	Unit of measure	Beginning inventory	Loans made	Collateral acquired	Purchases	Sales	Donations	Ending inventory
Basic commodities:								
Corn	Bushel	386, 600, 000	250, 000, 000	118, 500, 000		200, 000, 000		305, 100, 000
Cotton	Bale		2, 000, 000	10, 000		10, 000		
Peanuts [2]	Pound		550, 000, 000		250, 000, 000	250, 000, 000		
Rice	Hundredweight.	50, 000	2, 000, 000	100, 000	200, 000	350, 000		
Tobacco	Pound		162, 000, 000					
Wheat	Bushel	332, 600, 000	303, 000, 000	200, 000, 000	25, 000, 000	135, 000, 000		422, 600, 000
Designated nonbasic commodities:								
Honey	Pound				25, 000, 000	25, 000, 000		
Milk and butterfat:								
Butter	do	56, 649, 213			75, 000, 000	70, 000, 000	35, 000, 000	26, 649, 213
Cheese	do	43, 902, 053			75, 000, 000	83, 000, 000	25, 000, 000	10, 902, 053
Milk, nonfat dry	do	287, 931, 819			250, 000, 000	235, 000, 000	80, 000, 000	222, 931, 819
Tung oil	do			2, 000, 000	12, 000, 000	14, 000, 000		
Other nonbasic commodities:								
Barley	Bushel	30, 000, 000	22, 500, 000	10, 000, 000	1, 000, 000	14, 000, 000		27, 000, 000
Beans, dry edible	Hundredweight.	5, 450, 000	2, 500, 000	750, 000		1, 500, 000		4, 700, 000
Cotton, American-Egyptian	Bale				75, 000	75, 000		
Cottonseed	Ton		200, 000	25, 000	1, 000, 000	1, 025, 000		
Eggs	Case	6, 000, 000				4, 500, 000	1, 500, 000	
Flaxseed	Bushel	1, 800, 000	4, 000, 000			1, 800, 000		
Linseed oil	Pound	535, 000, 000				330, 000, 000		205, 000, 000
Naval stores:								
Rosin	Hundredweight.	2, 066. 858	1, 600, 000	400, 000		300, 000		2. 166, 858
Turpentine	Gallon	800, 000	2, 000, 000	500, 000		500, 000		800, 000
Oats	Bushel	13, 000. 000	14. 000, 000	5, 920, 000	2. 000, 000	6, 000, 000		14, 920. 000
Peas, dry edible	Hundredweight.	305, 000				155, 000		150, 000
Rye	Bushel		1. 200, 000	300, 000		300, 000		
Seeds:								
Hay and pasture	Pound	4, 800, 000	30. 000, 000	10. 000. 000		4, 800, 000		10. 000. 000
Winter cover crop	do	206. 577. 000	175. 000. 000	28, 000, 000	4, 200, 000	56, 577. 000		182, 200, 000
Sorghums, grain	Hundredweight.	21, 000, 000	20, 000, 000	12, 010. 000	1, 000, 000	19, 000, 000		15, 010, 000
Soybeans	Bushel		7, 000. 000					

[1] Estimated as of Feb. 1, 1951.
[2] Expressed in terms of farmer's stock peanuts.

Warehouse Insurance

Mr. Whitten. In connection with the warehouse program I have had my attention called to some of the insurance problems. Will you discuss that matter for the benefit of the committee?

Mr. Trigg. I do not have too much information on that. With your permission I will ask Mr. Brasfield, under whose control that is, to answer the question for you.

Mr. Brasfield. Mr. Chairman, I think what you refer to is on owned and pooled cotton. The Corporation returned to the practice that it had followed in previous years of taking that cotton in the warehouses out from under commercial insurance; in other words, to carry the risk itself on the diversified holdings that the warehouses have in the cotton it takes over. In other words, the storage contract, during the period of the loan is under the ordinary commercial insurance.

The question we have recently been discussing with the warehouses is whether it fits, whether it follows the usual Government policy of not carrying insurance after the Corporation takes over the commodity.

Our practice varies with respect to different commodities. For example, on fungible commodities we are carrying insurance. On the high-risk commodities such as those where there is a considerable concentration of risk at one point, we have been carrying commercial insurance; in the case of cotton, and items such as cotton, the corporation for many years did not carry insurance on its own or pooled commodities.

In accordance with the policy followed in respect to the 1948 program on cotton, we are now discussing the question with the warehousemen whether or not they would be in favor of a system of insurance along that line, and we are studying the problems with them at the present time. Tariffs have been issued by warehousemen for uninsured cotton, and they have informed us that this does not work quite as well, because they do have insured receipts outstanding, and when we sell a commodity in their possession to an individual it makes it almost impossible to keep the insurance straight because it is a rather intricate problem.

Mr. Whitten. There is a period of a week or 10 days, or some space of time where neither the warehouse nor the Government insures certain commodities. There have been cases where the purchaser has had reason to believe that the insurance was carried by one or the other and then has found out that is not true?

Mr. Brasfield. It is a difficult problem, and it works this way: They discontinue insuring, and the cotton will not be insured with the Government until it is sold. That is the present position that we have taken on it.

Mr. Whitten. I hope you can work out a plan where there will be no lapse of insurance between periods, whether by a private insurance or the Government. I do not profess to know too much about it, but I do know from practicing law that there is no reason to have an interim period where nobody at all is responsible. I hope you can work it out so the Government can cover it until the man in the warehouse can protect himself. I understand there have been several rather heavy losses in that period between the time when the insur-

ance was carried by the Government, or the warehouse or the individual.

Mr. BRASFIELD. The same problems, of course, were handled back in the early period when such insurance was not carried. We want to study that experience, and we certainly intend to consider thoroughly the whole problem, and we have reason to believe that we can work it out so it will be satisfactory.

Mr. WHITTEN. Mr. Trigg, we have a number of particular subjects that we will want to go into a little more in detail later. We might have any general questions by members of the committee at this time.

LOANS FOR STORAGE FACILITIES

Mr. STIGLER. I would like to ask Mr. Trigg some questions with reference to making further loans for storage facilities, commercial as well as farm. Does the authority expire sometime this year?

Mr. TRIGG. No.

Mr. STIGLER. Or next?

Mr. TRIGG. No. The authority is in the charter of the Corporation; it is administrative policy.

Mr. STIGLER. And it can be extended without further legislation?

Mr. TRIGG. We can handle that administratively as we see fit.

Mr. STIGLER. Do you propose to contine making loans to farmers?

Mr. TRIGG. We would like to. We would like to have as many farmers construct their own storage as we can possibly get. As a matter of fact, the whole subject is being reviewed at the present time to see just how far we need to go, and we need and want to get as much farm storage as we can; it will be utilized.

Mr. STIGLER. I have had quite a few inquiries from some of our farmers wanting to know whether or not they would be able to obtain loans to provide for the purchase of storage bins.

Mr. TRIGG. We still have the program going, and we are loaning up to 85 percent of the construction cost of the facility for providing farm storage.

Mr. STIGLER. And you do not contemplate any change?

Mr. TRIGG. Not right now, no, because we need that storage, particularly out in your country, Mr. Stigler. We need it out on the farms, Mr. Stigler, and we are anxious in the corn area that this corn be retained on the farms.

Mr. STIGLER. There has been a great improvement in the last 2 years along that line.

Mr. TRIGG. Yes, indeed there has been, Mr. Stigler.

Mr. STIGLER. Mr. Chairman, as I understand it, our questions are to be confined at this time to CCC?

Mr. WHITTEN. Off the record.

(Discussion off the record.)

Mr. WHITTEN. Mr. Andersen.

SUPPORT PRICE FOR EGGS

Mr. ANDERSEN. I have one question which is specific in one way, but general in another, because it has to do with the policy of the administration of the PMA program, Mr. Chairman. Why was the decision made to remove all supports from under eggs?

Mr. TRIGG. Well, Mr. Andersen, the law, as you know, the Agriculture Act, provides that we shall take into consideration eight factors in considering the price-support program on a commodity such as eggs. One of them is the supply in relation to the demand. Now, the egg production in 1951, the early egg production, is expected to about equal that of 1950. The rate of lay is expected to increase the offsetting reductions in the number of hens.

Other points we have to consider include the price-support levels of other commodities, the availability of funds, the perishability of the commodity and the importance of the commodity. All of those things were taken into consideration at the time the egg program was reviewed and the decision was made to discontinue it.

We had a considerable quantity of eggs on hand at that time, as you know, and we still have a considerable quantity of dried eggs on hand. In view of the consideration of all of those points which are enumerated in the law, I do not think we could have made any other decision except the one which was made to discontinue the price support on eggs.

Mr. ANDERSEN. It is rather difficult for people from one section of the country in which one commodity is an important source of income to see why they are not entitled to consideration or to protection by the price-support program for their commodities as well as somebody who might happen to be farming down South, for example.

Mr. WHITTEN. Would you just as soon say in the wheat country, Mr. Andersen?

Mr. ANDERSEN. Or in the wheat country, in Mr. Stigler's territory, or in Mr. Horan's territory. I am not partial at all.

To me the production of eggs is so much a part of the income of such a great segment of our farm population, such an important segment, that I am rather disappointed that the Department saw fit to knock out price support for eggs entirely. Of course, we know that temporary price raises during December and January possibly have eliminated the need for protection, but we also know what can happen on very short notice toward breaking the market.

Personally, I cannot see the viewpoint of the Department in establishing a policy providing that a great big segment of our agricultural economy shall be left entirely on its own as far as price supports are concerned.

Mr. TRIGG. Well, Mr. Andersen, you are very familiar with the difficulties that the Department encountered in carrying out the support program which it did on eggs up through 1950.

Mr. ANDERSEN. Now, you are absolutely right, but let me answer that. I know also of the extreme difficulties with potatoes, but at the same time I hold that we should look for the cure of those difficulties in the handling of those commodities, perhaps with very severe control of production coupled with a lower rate of protection, rather than to discard it entirely. I do not want to see my people become orphan stepchildren as far as the Government is concerned.

Mr. TRIGG. Of course, there is no intention on the part of the Department to discriminate against any group of agricultural producers as far as that is concerned.

Might I just answer your reference to the potato program by saying that the potato program was a mandatory program. The Department of Agriculture over a long period of time recommended certain things in connection with that law; we made the best recommendations that we knew how to make in order to bring the supply in line with the demand for potatoes.

Nobody yet has been able to figure out a way to effect marketing quotas or any sort of an allotment program, insofar as the production of eggs is concerned. We have not been able to discern how that can be done.

Now, the whole egg program, the procurement, the purchases that were made under the egg program were made in some 10 or 12 of those Midwestern States where there is a considerable amount of grain available. We had a loss of about $60,000,000 in handling this program in 1950. There was a great deal of criticism that was being directed at the over-all price support program—I do not say it was justified—but you know they will take up the egg program, and they will level those criticisms at the whole support program. In view of the criticism that the Government was receiving on its price support program because of the egg price support program it seemed wise to the Department that the program be discontinued. They had it at 60 percent of parity, and if a farmer is not entitled to protection of 60 percent or more he is not entitled to anything.

Mr. ANDERSEN. I thought in the first place the price-support level was low compared to that given to other agricultural commodities, and I was rather shocked at the entire support going out from under eggs because, when you take that support floor out from under eggs you not only hurt the price of eggs, but you put the entire business, the baby chick hatcheries and all of that, in a situation where they just do not know where they are at.

I am wondering if the Department has made a thorough study of this matter. Have they thought that, perhaps, they went down the wrong road when they put the eggs that they bought into the dried product? Should they not have bought shell eggs in the lush production times and put them into storage and then placed them on the market in November, December, and January when there is very little production, and when people here in Washington have to pay a dollar a dozen for eggs? Has any thought been given to a change in the program along these lines?

Mr. TRIGG. Mr. Andersen, of course, we thought of every conceivable type of program before discontinuing it. Also the Department of Agriculture did operate a shell egg program along at the beginning of the last war, one that proved to be very unsatisfactory. We operated a frozen egg program at that time. We bought eggs, froze the eggs and put them into storage. We finally disposed of those eggs by selling them to the Army and ECA, who, in turn, put them into dried eggs before they could be used. When we went into the dried egg program it looked to us that was the best and most economical way to give a price support program to egg producers. They have to be stored. You cannot store shell eggs for any great length of

time. This question that you raised of taking good quality eggs out and shipping them to eastern markets, and things of that nature were explored fully.

I think that we gave full consideration to every type of program, and this was the best program that we could come up with.

Mr. ANDERSEN. I realize, Mr. Trigg, the difficulty of handling any vast program like that, but I do hope that you will continue to study it and to remember, as you undoubtedly will, that there are a lot of people who are interested in what they get out of their 30-dozen case of eggs when they go to town.

SECTION 32 FUNDS

Mr. WHITTEN. If I may interpose there, Mr. Andersen, I know that you have been very strong in your support of the use of section 32 funds. I have been of the opinion as to perishable commodities that about all we can hope to do is to have some funds available with which to buy up the surpluses to the limit we can afford and use them in such things as the school-lunch program.

The school-lunch program handles a good many things, and it strikes me that eggs could probably fit into that program very well. I think you are going to be forced with regard to perishable commodities, where you cannot control the program, to buy as much of the surpluses as you can, and distribute them as far as possible, and to use everything that you can in the school-lunch program.

Mr. ANDERSEN. Now, Mr. Chairman, I have another general question, but I first want to give Mr. Stigler and Mr. Horan a chance to ask any questions that they desire to ask on this egg business at this point.

STATE PARTICIPATION IN EGG PROGRAM

Mr. HORAN. In what States did they operate this program?

Mr. TRIGG. The egg program?

Mr. HORAN. Yes.

Mr. TRIGG. It was available in fall of them, but initially it operated in about 10 or 11 of the Midwestern States.

Mr. HORAN. I am under the impression that the poultry industry out in our State did not want it.

Mr. TRIGG. Yes, I think in some of the States they did not want it, that is true. We had some sections of the country where they did not want anything to do with it, but the program was available to all States. I would like to add a word to what Chairman Whitten has said about the use of section 32 funds in this connection. We are contemplating the use of those funds in the egg and poultry program where we can use eggs for the school lunch program.

Mr. HORAN. And that is a proper use of those funds.

Mr. TRIGG. Yes, sir, it is a proper use of those funds, and we think it will do a great deal toward stabilizing the market.

Mr. HORAN. I was very much interested in the questions you asked and I would like to have a little further elucidation on the whole outline of the Commodity Credit Corporation.

LOAN FUNDS

Mr. ANDERSEN. I was not finished, and I will proceed if you do not have anything further on eggs, if you will permit me, Mr. Horan.

Mr. Trigg, I have one more general question. How much of the loan fund of $6,750,000,000 do you have in use today? How much of it is committed?

Mr. TRIGG. I can give you that in just a second, Mr. Andersen.

Mr. ANDERSEN. Of the $6,750,000,000 loan fund how much is committed?

Mr. TRIGG. $3,270,000,000.

Mr. ANDERSEN. $3,270,000,000 is all that you have under loan at this time?

Mr. TRIGG. Yes.

Mr. WHITTEN. Off the record.

(Discussion off the record.)

Mr. ANDERSEN. Can you give us very briefly just where this $3,270,000,000 is employed? Is any of that in strategic materials, that is, at the request of other departments or the national defense?

Mr. TRIGG. This is at the end of December, Mr. Andersen. Two billion, seven hundred million dollars in borrowings, loans amounting to $290,000,000 were being held by lending agencies. The purchase agreements outstanding were $15,000,000. The loans in process were $84,000,000. Accounts payable, $22,000,000. Accrued liabilities, $51,000,000. Producers equity in pools, $66,000,000. Commitments to make loans on storage facilities $2,700,000, or a total of $3,270,000,000. That is a breakdown of what our obligations are.

Mr. ANDERSEN. What are your estimates as to how much additional you are going to place under loan this year? I want to know what you anticipate for this year.

Mr. BEACH. For 1951?

Mr. ANDERSEN. For 1951. I am trying to differentiate between the crop years.

Mr. BEACH. We estimate that our peak in 1951 would be $4,053,000,000.

Mr. ANDERSON. That is all, Mr. Chairman.

Mr. WHITTEN. Mr. Horan.

FUNCTIONS OF COMMODITY CREDIT CORPORATION

Mr. HORAN. I am very much interested in getting a breakdown of the Commodity Credit Corporation by functions. It is not any more clear in my mind than it is in the chairman's mind that there should not be a lessening of activity in the Commodity Credit Corporation which should, in some way, reflect itself in a decrease in costs. Now, I base that statement or observation entirely on general conditions, the same as the chairman did, on conditions in the past fiscal year and, of course, we are projecting our appropriation for the fiscal year 1952 on the experience of the past as we have to. What was the major activity of the Commodity Credit Corporation in the review figure that we are now considering, was it price-support work?

Mr. BRASFIELD. Yes, sir.

Mr. HORAN. And that is declining.

Mr. BRASFIELD. Yes, sir, it is; it is declining.

SUPPLY PROGRAM

Mr. HORAN. Now, I suppose it is fair to assume that the supply program activities of the Commodity Credit Corporation are increasing?

Mr. BRASFIELD. For price-support purposes do you have in mind?

Mr. HORAN. No; looking at the statement in the justifications on page 8, No. 2 is the supply program. It states there:

Procures foods, agricultural commodities and products thereof, and related materials to supply requirements of United States Government agencies, foreign governments, and relief and foreign aid programs.

Mr. BRASFIELD. When we use price-support commodities to fill those orders, such as wheat, the cost of handling that goes against this limitation, not the supply program.

Mr. HORAN. Now, I want to get this straight if I can.

Mr. BRASFIELD. The same thing is true of the disposition of any other price-support inventories that are used to meet supply requirements or commodities sold in the domestic market. The handling cost, including the cost of the paper work all goes against this limitation.

Mr. HORAN. How big a part of the outside functions is that supply program?

Mr. BRASFIELD. Price support is by far the big part of it. There is only a little of it charged to the other functions and carried under this limitation. In other words, for the cost of the budget you get away up into ninety-odd percent.

Mr. HORAN. Do you do all of that work or is General Services related to that second part of your program, an appreciable part of it?

Mr. BRASFIELD. Well, let me carry wheat on as an illustration of how that operates. In the disposition of our price-support wheat inventory they do not enter into it at all. When we have requests from the Army or from foreign countries, the cost of taking that wheat to port, putting it on the boat and billing for it is all handled by the Commodity Credit Corporation and the administrative cost is part of this limitation, when it is a price-support commodity that is being used to meet the request.

Mr. HORAN. Then here is your foreign-purchase program. What do you do under that one?

Mr. BRASFIELD. Under the foreign-purchase program we have the procuring of commodities that we do and we support the administrative part of that activity from the receipt of a mark-up to the end user of that commodity. We have practically no such activity at the present time.

Mr. HORAN. Then that is just a potential activity?

Mr. BRASFIELD. It was vast at one time, and it may be again, but proportionately it is not very important at the present time.

COMMODITY EXPORT PROGRAM

Mr. HORAN. Now, as to your commodity export program just how does the Commodity Credit Corporation fit into that, what is the breakdown of your duties, and what is your function in relation to this program?

Mr. BRASFIELD. The major activity being carried on under the commodity export program at the present time is the International Wheat

Agreement in which the Commodity Credit Corporation is carrying out the law and will be fully reimbursed both for the administrative expense and the subsidy cost. If we get into other programs it might be carried on on a basis much more substantial than at the present time.

STORAGE FACILITIES

Mr. HORAN. The next is storage facilities. You have listed briefly and generally the total number of warehouses and bins that you have that are administered under this program. That is at a peak now, I assume?

Mr. BRASFIELD. That one is important.

Mr. HORAN. All the bins are filled, are they?

Mr. TRIGG. Not all bins; no. We have some that are not at the present time, but they will be filled.

Mr. HORAN. I am trying to find out where we are here in relation to all of these programs.

Referring to this No. 6, "Loan to Secretary of Agriculture for agricultural conservation programs," does the Commodity Credit Corporation administer that? There are no administrative costs connected with that, are there?

Mr. BRASFIELD. No, sir.

Mr. HORAN. There is administrative cost connected with storage facilities?

Mr. BRASFIELD. Yes, sir; that is right.

Mr. HORAN. And there are not many in this commodity export program now?

Mr. BRASFIELD. No.

Mr. HORAN. The foreign purchase program is low and your supply program is not too heavy?

Mr. BRASFIELD. Except from that which is using price support commodities.

BASIS OF SUPPLEMENTAL ESTIMATES FOR 1951

Mr. HORAN. Mr. Chairman, I cannot understand why the administrative costs in the supplemental should appear for the coming year.

Mr. TRIGG. Mr. Beach.

Mr. BEACH. I would like to explain how we went about it, Mr. Chairman.

Mr. WHITTEN. Yes; proceed.

Mr. BEACH. We made a detailed survey of the work load involved in carrying out the work being performed in May and June of this last year, and to the program volume estimates for the fiscal year 1951, we applied the results of that survey. In other words, we arrived at the cost of performing each type of work which is involved, such as the handling of certain documents. We then took the estimate of what was going to happen in the fiscal year 1951 in the way of bushels of wheat going under loan, the number of bushels to be acquired, and the number of bushels to be sold and converted the program volume estimates to estimates of the actual number of documents to be handled. Then by applying the cost standards determined in the survey we estimated how much it was going to cost to do the total job for 1951. That is what is represented by the $20,200,000 requested.

Mr. WHITTEN. You made that estimate in May and June. Do you not think now that you should take another look to see if you can cut it down about 50 percent?

ESTIMATES FOR 1952

Mr. BEACH. I was going to give the background of our estimate for 1952, Mr. Chairman. This was for 1951. When it came time to make the estimate for 1952, we made our best guesses of the program volume and applied the same cost standards to those estimates in order to arrive at the total administrative expense requirements for 1952.

I might explain how we made our program volume estimates. We have not just decided that we are going to have so many loans on wheat or that we are going to take over so much of this or take over so much of that. We went to the commodity branches in PMA and asked the foremost experts on each of these commodities for their best estimate under specified assumption as to certain basic circumstances. These assumptions include a continued high level of production, a continued high level of employment and an increase in national income and other over-all general economic assumptions. Then the commodity people look at the situation with respect to the commodities over which they have jurisdiction and estimate what they think the price situation is going to be, what they think the production is going to be, and what it looks like in the way of commodities going under loan, allowing for past experience in similar periods of high prices. This provides the basis for all of the other factors involved in our CCC estimate, including estimated losses. Once we arrive at those estimates they are put together and then are appraised by a review committee composed of representatives of the Administrator's office, the BAE and everyone else we can find that knows anything about them. We try to get the best information that we can get in coming up with an estimate of what the program volume is going to be. To that estimated program volume we applied our cost standards and arrived at the $20,200,000.

Mr. HORAN. I just want to point out that we have revised our thinking too up here in Congress, and the Korean War and the defense effort has caused that. The average cost has gone up, and I think that you as taxpayers are looking to us to do what we can to hold down costs wherever we can, to see that any of these items are justified in reality, and I am disturbed about the size and the shape of this particular item. I do not want to do anything to hurt the Commodity Credit Corporation. I realize what it means, but along with the chairman and the rest of this subcommittee, we need your cooperation on this. We want to do what we are supposed to do, but frankly I am still at a loss as to why this item should be increased.

That is all.

Mr. WHITTEN. Mr. Horan, I think you have proven our case. The testimony up to this point is that last May and June the Commodity

Credit Corporation made a survey and arrived at how much manpower it would take to handle a given volume on a per unit basis. They they multiplied that by the volume, and they came up with this $20,200,000, which includes the $3,850,000 they are asking for now. They cannot sustain that because they will not have that volume.

Mr. BEACH. It appears that way.

FORMULA FOR ADMINISTRATIVE COSTS

Mr. WHITTEN. You just said it was that. You said last May and June you worked up the unit cost to handle a given volume, and multiplied the volume by that unit cost, coming up with $20,000,000. Now, you come up with the same number of dollars, so you are bound to have used the same volume. You may have some difference from one program to another but you are using approximately the same volume in total. You cannot justify it.

Mr. BEACH. Well, it came out the same, but there is a great deal of difference between the individual commodities involved.

Mr. WHITTEN. Yes; but your volume must be the same, or you would not have the same figure.

Mr. BEACH. The total workload came out the same.

Mr. WHITTEN. If you handle much less in commodities you will not have as much work to do as in handling a big volume of the commodities. You have arrived at your total demand for funds by multiplying the unit cost times the volume.

Mr. TRIGG. We have this constantly under review. It is not a question of using a formula that we adopted last May or June, Mr. Chairman.

Mr. WHITTEN. But after you review it, you do not come up with anything.

Mr. TRIGG. In connection with our loan program less than 2 percent of our 1950 crop loans have been repaid.

Mr. WHITTEN. Here is the point I am trying to make. Last year you got $5,000,000 from the agriculture supply program—I am talking about your consolidated account—and you got $3,000,000 for the removal of surplus agricultural commodities. With certain other items you got a total of $14,190,717. But in the 1951 fiscal year you got only $12,000,000 from these other sources, so you attempt to increase your commodity credit estimate by $4,000,000. I want this same figure projected for 1952. We cannot understand this, because you can juggle from one to the other, and there is much to indicate that there has been some juggling in the past, with the best of intentions. If a fellow is a partner in any business or manufacturing concern and it costs him a little more than he is making, he has a bank account or assets to draw on. It looks to me as though there has been some of that, regardless of the basis on which it has been carried out. I want that total figure projected forward.

(The material requested is as follows:)

Distribution of funds budgeted by source for fiscal years 1950, 1951, and 1952 for the consolidated account

Fund	1950 actual obligations	1951 estimated obligations	1952
Commodity Credit Corporation	$15,283,121	[1] $16,350,000	$20,200,000
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	1,965,733	2,124,696	2,124,696
Sugar Act	357,835	425,000	425,000
Removal of surplus agricultural commodities	3,095,110	3,500,000	3,500,000
National School Lunch Act	1,336,200	1,455,653	1,455,653
Marketing services	753,916	815,368	825,124
Research and Marketing Act of 1946	145,444	130,000	130,000
Expenses and refunds, inspection and grading of farm products (trust funds)	281,537	364,000	350,000
Perishable Agricultural Commodities Act	14,000	16,600	16,600
Supply and distribution of farm labor	17,647		
Eradication of foot-and-mouth disease		100,000	
Mexican meat-procurement program	140,033		
Local administration, sec. 388, Agricultural Adjustment Act of 1938	10,113	11,400	11,400
Grading of agricultural commodities	1,110		
Agricultural supply program	5,709,147	2,500,000	2,000,000
Ocean transportation	50,920	52,000	52,000
International Wheat Agreement	129,036	250,000	250,000
Foreign Assistance Act of 1946	150,194	144,500	137,000
Miscellaneous reimbursement	32,742	30,000	30,000
Total	29,473,838	28,269,217	31,507,473

[1] Excludes $3,850,000 anticipated supplemental.

Source: Budget estimates.

PREPARING ESTIMATES

Mr. WHITTEN. Here is something else I want to mention, and I found this when I served on the Navy Subcommittee. In building up its estimates, the Navy Department sends a letter out to the field to each station asking what they need. Of course, out in each area each station is a big thing. To the commanding officer that is his whole world. Naturally he wants a motion-picture machine, and he wants everything he can get. He always knows that they are going to cut him down along the way. Instead of the Washington office of the Navy Department determining what it takes to do a given task and giving a field station that much to do it with, they do as you have admitted you do. They go to the man whose force is dependent upon his estimate as to the volume. He knows that whether he keeps his force or his own job depends on his own guess, and you can imagine what kind of guess he will make as to his needs.

Mr. TRIGG. I have asked Mr. Beach to go into the details of it, showing that we have added up everything that everybody in the commodity branches wants and everybody else wants and that has to be asked for here.

Mr. WHITTEN. Sure, but the head of that branch knows that you are going to discount it 15 percent, and if he knows that, what is he going to do?

Mr. TRIGG. We do not ask them how much money they want. What we are trying to get from those people, in view of their knowledge of commodity operations, is what will be the program volume which in turn will determine this workload that we have to carry.

Mr. WHITTEN. A representative of your organization has just said that you developed a formula last May and June of so much per unit times volume. You do not ask how much money they want, but

you ask what volume they are going to have, and if you do that surely they know that volume times unit costs means money.

Mr. BEACH. The people whom we ask for these estimates are not the people who do the work. We get the volume estimates and then send them to the field offices to indicate to them approximately what workload they will have. We sent our own men out to make these surveys; we go out ourselves. In the Chicago office survey, we invited a Bureau of the Budget man to go out at the same time to see what we were doing. We do our very best to find a way of determining fairly what the workload volume is in these field offices and what is the reasonable cost of doing the job. The only relationship that exists between the program volume and the amount of money we request is that the program volume determines the workload.

ESTIMATE FOR POULTRY BRANCH

Mr. ANDERSEN. May I ask a question of Mr. Beach there, Mr. Chairman?

Mr. WHITTEN. Yes.

Mr. ANDERSEN. Now take eggs, for example, you have done away with the support.

Mr. BEACH. Yes, sir.

Mr. ANDERSEN. What kind of an estimate did your Poultry and Egg Branch give you of the amount of work they will have for the calendar year 1951 compared to the calendar year 1950 when you did have supports? It seems to me there should be practically no work at all relative to egg supports in 1951, should there?

Mr. BEACH. Mr. Andersen, of course, the estimates that we get from the Poultry Branch are estimates of volume of activity, not estimates of volume of work. We anticipate only the activity necessary to wind up this current year's program because they know there is not going to be any support program next year.

Mr. ANDERSEN. In their estimates to you they show a decided falling off?

Mr. BEACH. They show the purchase and sales activity. We started the fiscal year 1951, according to the estimates, with 60,000,000 cases or equivalents of dried eggs. We estimate we will wind up the fiscal year 1952 with no inventory. The only thing then in there for the fiscal year 1952, in essence, is the disposal of the inventory we had to begin with.

Mr. ANDERSEN. Well, let us be specific about butter. You do not own any butter today to speak of. Where is that reflected in your cost as to the difference between having 160,000,000 pounds of butter last July 1, and only 100,000 pounds, or a very small amount, at this date? How much of an estimate do you show for net decrease there in your administrative expense, and how much does storage enter your picture there? Is that part of your administrative cost?

Mr. BEACH. No, it is not.

Mr. ANDERSEN. That goes against the product itself?

Mr. BEACH. Yes; that goes against the inventory.

Mr. ANDERSEN. The only thing there would be the actual administrative handling? I suppose most of the manpower is charged against storage in the case of butter?

Mr. BEACH. Yes, the storage and the accounting for the acquisitions and dispositions of the butter.

Mr. ANDERSEN. I was thinking, Mr. Chairman, we could, perhaps, get a clearer picture if we could ask Mr. Trigg to give us the picture of what happens, say, if the Congress decides to give to India 75,000,000 or less bushels of wheat. Where all along the line are the different costs allocated? What happens in such a transaction?

Mr. TRIGG. Mr. Brasfield.

Mr. BRASFIELD. It is charged against this limitation, because on December 31 we had 271,000,000 bushels of wheat in our price support inventory. That means, based upon that over-all delivery, that word would go out from Washington to our field offices, allocating to each one of them what they should start to move toward port. That inventory will be in country warehouses and other terminals all over the country. We will start to load that and transport it to the respective ports. When you take that part out of the country warehouses you will give them a loading order for probably about 10 cars of wheat. Then you get a bill of lading for each one of those cars, and you then get a freight bill for each one of them. When it gets to an inspection point you will get weight and inspection certificates for each car of wheat. Then it may go through an elevator en route. Your port may be blocked up. As you go in and out of those elevators you have not only the freight each time, but you have the in-transit freight value balance that must be accounted for. You have your weight and inspection, and in the case of each warehouse it goes in and out of you have the quantity and quality to account for. In the case of every car you have to determine whether that is the correct measure, that you have the same number of bushels of the commodity you started with.

The thing we have not been able to find yet is any machine that will take a group of warehouse receipts that call for No. 2 wheat of a certain protein content, perhaps, and get the cars out of that elevator and show the comparison of quantity and quality per the weight and inspection certificates. You have to sit down and compare those in order to find out whether that elevator operator owes you money for that wheat or shipped wheat out of the identical kind. He does not store your wheat separately and apart from other wheat. You have to pay him an out charge. In other words, he bills you for each loading order. The documents that would support the shipment of that 10 cars would probably be somewhere in the neighborhood of 50 documents, taking each weight and inspection certificate and each bill of lading, and the billing on each item that goes into that and then comes back and that the country warehouseman properly ships it, that he gives you the equivalent in bushels, and to do that we have to go back and determine that quantity and quality on each and every car that he ships. A carload of wheat is about 2,000 bushels, and a boat load is about 300,000 bushels. So, you can see the number of cars required to make up each one of those boats. You can see the mass of documents that must be inspected and compared, and we have that worked out mechanically to the maximum extent that we can work it out, but we just do not have a machine that can take a group of warehouse receipts and audit them and project them forward to the point where it furnishes you the complete answer as to whether that warehouseman has properly

accounted for the grain or not. When you take into consideration the weight and inspection certificates and the pricing by quality, and the documents representing the product that you are delivering you can see what is involved. Each one of those consists of following that car of wheat across the country.

As I say, this inventory-management problem runs our administrative cost up. Now, that cost is coming out of this limitation. If our wheat was sold from storage at its present location there would not be anything like the administrative cost involved that it takes to put that wheat on the boat bound for India or for any other destination. In other words, the disposition of these inventories, the storage of the commodity and inspection and checking on the sales quantity and quality are the things that take most of the people that we are talking about. The same thing would be true of cotton.

In the case of wheat, you are talking about an asset that was worth to the Government something in the neighborhood of $650,000,000 in December 1951. Also we had the greatest amount of corn that we have ever had, $617,000,000 worth, that we have got to pay storage on. Now, it may be sold locally, and that is the present trend of the program as to corn. If it is sold locally it will be sold in carload lots, and perhaps as small as truckloads to an individual farm operator that comes there for it. You have to record the documents all the way through channels on each individual sale that you may make, except that we we can group such documents at PMA Commodity Office. That minimizes that to the greatest possible extent. You do not have as much work on that type of sale as you have on this other type of sale.

Mr. ANDERSEN. Whatever work the PMA puts in on this in their office is chargeable to this administration?

Mr. BRASFIELD. No, sir, not at the county level.

Mr. ANDERSEN. Not at the county level?

Mr. BRASFIELD. It is at the State level and it is at the PMA commodity office.

Mr. ANDERSEN. Then at the county level it is chargeable against the so-called soil-conservation payments of the farmer?

Mr. BRASFIELD. No, sir.

Mr. ANDERSEN. Where is that paid?

Mr. BRASFIELD. That is paid by the Commodity Credit Corporation in reimbursement of the PMA fund for local administration.

Mr. ANDERSEN. Then all of this paper work, these thousands of tickets, whatever you call them, in order to get a car across the continent to the boat, all of that goes into the regional office of the Commodity Credit Corporation?

Mr. BRASFIELD. That is right.

Mr. ANDERSEN. There would be, you say, 300,000 bushels in an average cargo ship?

Mr. BRASFIELD. That is right.

Mr. ANDERSEN. That would mean if 75,000,000 bushels of wheat were sent to India we would have about 250 shiploads, the way I figure it.

Mr. BRASFIELD. I think that is right.

Mr. ANDERSEN. Do I understand you to say that all administrative work from the country points to the seaside has to be paid, in the case of such transaction, has to be paid for out of their limitation?

Mr. BRASFIELD. Yes, if we use price-support wheat, and that is the stock that we have on hand at this time, the 271,000,000 bushels which I mentioned.

Mr. WHITTEN. Are your administrative funds deducted in your payment back to the farmer in case of a loan?

Mr. BRASFIELD. Actually in the case of the price-support commodity used for supply purposes we charge the market price on that wheat. If it is delivered at port it would include recovery of the administrative expenses, but we cannot use it for that purpose.

Mr. WHITTEN. You just use it as a credit for the Commodity Credit Corporation?

LOAN FEES

Mr. BRASFIELD. It is a credit to our sales account, but not to our administrative limitation.

In the case of the producer he pays a fee when he gets a loan. All that is used for expenses at the county level to make up its expenses. The fee for making the loan, that money does not come to the Commodity Credit Corporation. That money is set aside to be used in the county administration fund except for that portion that is used to pay insurable losses on farm-stored commodities.

Mr. WHITTEN. Your presentation there, I think, has a real basis. In looking at this year's operation, I have stated that I can see the same basis, at least, for additional funds in view of the volume of work this year. But I cannot see beginning with July 1, how you can expect to have anything like the volume you have had this year.

Mr. BRASFIELD. Mr. Andersen said that we are practically out of butter. That is true, insofar as the commitment of it is concerned. On December 31 there was an inventory of 106,000,000 pounds of butter. Now, that means handling sales administratively, collecting the money, and so forth.

Mr. ANDERSEN. Like Mr. Whitten says, will not most of it be out of the way by July 1?

Mr. BRASFIELD. Yes; most of the butter will be out by July 1. How much wheat and corn we will have on hand on July 1 probably depends on the food shipped abroad and other factors.

Mr. WHITTEN. I think you could handle all of it for $17,000,000 instead of $20,000,000.

Mr. BRASFIELD. Well, except——

Mr. WHITTEN. I will tell you what I would like to have you do. I am not cutting off further questioning here, but when you come up here on these other programs, be prepared to discuss the administrative requirements for each program that goes through the consolidated account. And I want a copy of the consolidated account for 1952.

Off the record.

(Discussion off the record.)

FORTY-HOUR WEEK

Mr. WHITTEN. Mr. Trigg, the PMA offices and the Commodity Credit Corporation are under the regular 40-hour week?

Mr. TRIGG. Yes; those are the regulations, Mr. Chairman.

Mr. WHITTEN. The employees are controlled the same as other civil-service employees?

Mr. ROBERTS. All of the employees of PMA except the county committees and the employees of the county committees, are under civil-service regulations.

Mr. TRIGG. Mr. Chairman, I heard you questioning the Secretary the other day, and then I read what you had to say on the floor about this business of people working only 40 hours. I would like to say, as far as PMA is concerned, that we have had a stand-by staff on Saturday in State offices and in Washington ever since the emergency started.

Mr. WHITTEN. I am going to say that this statement was not directed against your Department any more than any of the others. I think the effect of your Department being on a 40-hour basis is worse back home because of the relationship with the farmers. You and Mr. Brannan are not responsible for it, but most of the time they tell me that the folks handling the problem are not available until Monday. It is a Government-wide problem, and is something that we are going to have to face if we are going to have mobilization. I just cannot believe that 8 hours a day 5 days a week is all we need. But, again, that is not your responsibility any more than Mr. Brannan's.

I certainly want my remarks to indicate that I have reference to all departments, not just this one.

BUREAU OF AGRICULTURAL ECONOMICS

WITNESSES

O. V. WELLS, CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
SHERMAN E. JOHNSON, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
S. R. NEWELL, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
RAY C. SMITH, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
WILLIAM T. WOLFREY, JR., ASSISTANT TO THE CHIEF, BUREAU OF AGRICULTURAL ECONOMICS
EMILY E. CLARK, BUDGET OFFICER, BUREAU OF AGRICULTURAL ECONOMICS
D. B. DeLOACH, ASSOCIATE HEAD, DIVISION OF MARKETING AND TRANSPORTATION RESEARCH, BUREAU OF AGRICULTURAL ECONOMICS
H. C. TRELOGAN, ASSISTANT FOR MARKETING, AGRICULTURAL RESEARCH ADMINISTRATION
JOSEPH C. WHEELER, ASSISTANT DIRECTOR OF FINANCE, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$4,745,900	$5,504,000	$5,395,000
Unobligated balance, estimated savings	−76,799		
Savings under sec. 1214		−65,000	
Obligations incurred	4,669,101	5,439,000	5,395,000

Funds available for obligation—Continued

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS—continued			
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	$552,208		
"Salaries and expenses, farm housing, Department of Agriculture"	156,679		
"Special research fund, Department of Agriculture"	54,136		
Total direct obligations	5,432,124	$5,439,000	$5,395,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	43,858	45,000	45,000
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	86		
"Salaries and expenses, farm housing, Department of Agriculture"	903		
Total reimbursable obligations	44,847	45,000	45,000
Total obligations	5,476,971	5,484,000	5,440,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Economic investigations:			
(a) Economics of production	$1,367,112	$1,341,000	$1,337,000
(b) Prices, income, and marketing	986,229	977,000	975,000
(c) Farm population and manpower	245,970	217,000	217,000
(d) Farm housing and construction	15,000		
Subtotal	2,614,311	2,535,000	2,529,000
2. Crop and livestock estimates:			
(a) Field crop estimates and reports	858,145	902,000	890,000
(b) Fruit, nut, and vegetable estimates and reports	379,002	397,000	392,000
(c) Livestock and poultry estimates and reports	493,044	517,000	510,000
(d) Dairy estimates and reports	322,509	338,000	334,000
(e) Agricultural price estimates and reports	449,564	603,000	595,000
(f) Farm surveys and employment estimates and reports	173,869	147,000	145,000
(g) Farm housing and construction	141,680		
Subtotal	2,817,813	2,904,000	2,866,000
Total direct obligations	5,432,124	5,439,000	5,395,000
REIMBURSABLE OBLIGATIONS			
1. Economic investigations:			
(a) Economics of production	16,850	17,000	17,000
(b) Prices, income, and marketing	11,248	11,000	11,000
(c) Farm population and manpower	2,880	2,000	2,000
Subtotal	30,978	30,000	30,000
2. Crop and livestock estimates:			
(a) Field crop estimates and reports	5,600	7,000	7,000
(b) Fruit, nut, and vegetable estimates and reports	1,487	1,500	1,500
(c) Livestock and poultry estimates and reports	1,565	1,600	1,600
(d) Dairy estimates and reports	834	800	800
(e) Agricultural price estimates and reports	1,565	1,600	1,600
(f) Farm surveys and employment estimates and reports	1,915	2,500	2,500
(g) Farm housing and construction	903		
Subtotal	13,869	15,000	15,000
Total reimbursable obligations	44,847	45,000	45,000
Total obligations	5,476,971	5,484,000	5,440,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	1,156	1,152	1,152
Full-time equivalent of all other positions	78	77	77
Average number of all employees	1,154	1,142	1,142
Personal service obligations:			
Permanent positions	$4,349,732	$4,375,120	$4,375,120
Part-time and temporary positions	188,115	189,880	184,860
Regular pay in excess of 52-week base	15,656	----------	17,020
Payment above basic rates	6,359	6,000	6,000
Total personal service obligations	4,559,862	4,571,000	4,583,000
DIRECT OBLIGATIONS			
01 Personal services	4,519,648	4,530,500	4,542,500
02 Travel	262,353	293,000	283,000
03 Transportation of things	10,326	13,500	13,500
04 Communication services	51,402	52,000	52,000
05 Rents and utility services	63,488	74,000	33,400
06 Printing and reproduction	255,606	250,000	250,000
07 Other contractual services	60,083	65,000	60,890
Services performed by other agencies	23,318	20,000	20,000
08 Supplies and materials	91,744	80,000	75,800
09 Equipment	94,156	58,000	58,000
15 Taxes and assessments	----------	3,000	6,000
Total direct obligations	5,432,124	5,439,000	5,395,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	40,214	40,500	40,500
02 Travel	333	500	500
05 Rents and utility services	3,805	3,500	3,500
08 Supplies and materials	495	500	500
Total reimbursable obligations	44,847	45,000	45,000
Total obligations	5,476,971	5,484,000	5,440,000

Mr. WHITTEN. Before we proceed with the general statement and a discussion of the budget estimates, we will insert pages 30, 31, 33, and 34 of the justifications in the record.

(The statements referred to follow:)

PURPOSE STATEMENT

The Act which established the Department of Agriculture in 1862 described its duties in part as follows: "to acquire and diffuse among the people of the United States useful information on subjects connected with Agriculture, in the most general and comprehensive sense of that word * * *." It also provided specifically for the "collection of statistics." A small beginning had been made on statistical work in the Patent Office and this work was taken over by the Department of Agriculture when it was established. The issuance of regular crop reports has continued ever since, the scope and coverage being increased from time to time by Congress.

On July 1, 1922, the present Bureau of Agricultural Economics was formed by the consolidation of the former Bureaus of Markets and Crop Estimates and the Office of Farm Management and Farm Economics. The duties and responsibilities of this Bureau have been modified from time to time by law and by Secretary's directives. As now constituted, the Bureau of Agricultural Economics is the chief economic research and statistical agency of the Department of Agriculture. As a service agency, it supplies the Secretary's Office, other agencies, congressional committees, industry groups, and the public with statistical data and economic analyses relating to current and proposed Department programs and activities. As a staff agency, it is responsible for the coordination or general supervision of statistical matters and economic research throughout the Department. It acts as liaison agency with the Bureau of the Budget in the administration of the Federal Reports Act.

Two subappropriations provide for work as follows:

Economic investigations.—Research is conducted and information furnished on production and distribution of commodities; land utilization and conservation; farm management methods and practices; land ownership and values; utilization of farm products; purchasing of farm supplies; farm population, farm labor; farm finance, insurance, and taxation; adjustments in production to probable demand; costs, prices, and income in their relation to agriculture, including causes for variations and trends. Much of this work is performed in the field in cooperation with the Land Grant Colleges and other State institutions.

Crop and livestock estimates.—Basic statistical and economic data relating to food and agriculture are gathered, analyzed, and published, including acreages, yields, and production, stocks, values and utilization of farm crops; numbers, production, value, and utilization of livestock and livestock products; and such related data as prices received and prices paid by farmers. Thousands of farmers, processors, merchants, and others serve as volunteer reporters and these reports are supplemented by field observations of the Bureau's statisticians and other data to provide the many estimates and reports issued for public information.

The Bureau's central office is in Washington, D. C., with program activities carried on from 41 State offices (covering crop estimating and other statistical work in all States). Cooperative work is being carried on with land-grant colleges or other State institutions in every State in the Union.

On November 30, 1950, the Bureau had 1,477 employees, of whom 740 were in Washington and 737 in the field.

Appropriated funds:

Estimated, 1951	$5,439,000
Budget estimate, 1952	5,395,000

Salaries and expenses

	Economic investigations	Crop and livestock estimates	Total
Appropriation Act, 1951	$2,600,000	$2,904,000	$5,504,000
Reduction pursuant to section 1214	−65,000		−65,000
Base for 1952	2,535,000	2,904,000	5,439,000
Budget estimate, 1952	2,529,000	2,866,000	5,395,000
Decrease	−6,000	−38,000	−44,000

SUMMARY OF INCREASES, 1952

Economic investigations: Net decrease consisting of decrease of $6,800 due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation offset, in part, by an adjustment of $800 to round-off the estimate	−$6,000
Crop and livestock estimates: Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−38,000

Project statement

Project	1950	1951 (estimated)	Adjustments	1952 (estimated)
1. Economic investigations:				
(a) Economics of production	$1,367,112	$1,341,000	−$4,000	$1,337,000
(b) Prices, income, and marketing	986,229	977,000	−2,000	975,000
(c) Farm population and manpower	245,970	217,000		217,000
(d) Farm housing and construction	15,000			
Subtotal	2,614,311	2,535,000	−6,000	2,529,000
2. Crop and livestock estimates:				
(a) Field crop estimates and reports	858,145	902,000	−12,000	890,000
(b) Fruit, nut and vegetable estimates and reports	379,002	397,000	−5,000	392,000
(c) Livestock and poultry estimates and reports	493,044	517,000	−7,000	510,000
(d) Dairy estimates and reports	322,509	338,000	−4,000	334,000
(e) Agricultural price estimates and reports	449,564	603,000	−8,000	595,000
(f) Farm surveys and employment estimates and reports	173,869	147,000	−2,000	145,000
(g) Farm housing and construction	141,680			
Subtotal	2,817,813	2,904,000	−38,000	2,866,000
Unobligated balance	76,799			
Total available	5,508,923	5,439,000	−44,000	5,395,000
Transfer in 1951 estimates from:				
"Research and Marketing Act of 1946, Department of Agriculture"	−552,208			
"Salaries and expenses, farm housing, Department of Agriculture"	−156,679			
"Special research fund, Department of Agriculture"	−54,136			
Reduction pursuant to sec. 1214		+65,000		
Total appropriation or estimate	4,745,900	5,504,000		

General Statement

Mr. Whitten. We are glad to have with us Mr. O. V. Wells, Chief, Bureau of Agricultural Economics, and his associates. Do you wish to make a general statement to the committee at this time?

Mr. Wells. Mr. Chairman, I have with me some charts that I have used for the last 3 or 4 years in discussing the farm situation with the committee.

Mr. Whitten. We would like to see the charts, but I think we might have your general statement first.

Mr. Wells. I have a very brief statement. I took the liberty of not writing out the statement so I can be brief.

The President's budget, Mr. Chairman and members of the committee, which is now before you, provides for the Bureau of Agricultural Economics for the coming fiscal year, after certain adjustments are made, the same amount of dollars as are available to it for this fiscal year. In other words, there are no formal increases or decreases proposed in the budget itself.

I would like to briefly call your attention to my job as I see it for the coming year, because I think it is pertinent in the consideration of this particular problem.

It appears to me essentially that so far as we are able, with the funds and personnel available, that I and the other executive members of the Bureau of Agricultural Economics should make every possible effort to maintain the basic statistics and related services of the Bureau during this coming fiscal year. I am referring now to prac-

tically all of the work that comes under the "crop and livestock estimates" heading and to much of the work that comes in connection with the "economic investigations" subappropriation, such things as taxes paid by farmers, indexes of production, and similar statistics and services which are widely used throughout the United States. Calls for those at the present time are considerably larger than they have been in the past and it is all the more important that we do the best possible job of seeing that technically the statistics are correct.

Now with respect to what we might think of as research, again it seems to me that me and my associates, with the funds and personnel available to us, should endeavor with the help of the Secretary's office and the Research Administrator to redirect our research work as far as possible toward defense needs. I do not think of that as an easy task, because as of this time we are not yet able to clearly define what our defense needs are or precisely how our economy is going to operate during the next several years. However, I am sure all of us understand that the requirements for the defense program have become much clearer since November 1950. Developments so far have put an added and new emphasis on production, because we are now faced with a situation in which the Secretary of Agriculture is asking for all-out agricultural production in 1951, and perhaps for an indefinite period thereafter. The marketing problems are not as difficult as they once were, although I think that the general price ceiling regulation, with the prospect of various and continuing controls, indicate there will be difficulties enough.

For example, the Secretary of Agriculture has asked me to prepare an outline that might be used as a basis for considering proposed studies with the land-grant colleges concerning the productive capacity of agriculture during the next 2 or 3 years to arrive at a better basis for production goals, assuming a continuing need for full production.

Again, I do not know how long this defense program is going to last. Research is necessarily a slow job and there are questions in several fields as to whether to close up completely or try to cut down, but still maintain cooperation with the State colleges or otherwise work out something in those particular fields which would keep us in position where we could rebuild if and as it becomes desirable on a considerably expanded basis.

Finally, if because of lack of either personnel or funds work which was considered desirable with respect to some item cannot be carried further, it seems to me that we should at least undertake to get a record and clear report of what we have done. It is possible in some places that the demand for personnel will be such that perhaps we will have to stop certain specific projects. In those cases, I think we should try, with such funds and personnel as are still available, to see that we get some kind of a record and research report.

Mr. Chairman, that is my opening statement.

REDUCTIONS EFFECTED

Mr. WHITTEN. I am glad to see that you appreciate we are operating under a somewhat changed situation and that the fiscal year beginning July 1, 1951, will possibly lead to a series of still further changes.

You have not given me an answer to what changes will take place, and I realize that you cannot give me an exact answer, but I notice that for your work, insofar as the estimates that are before us are concerned, there are very slight decreases in the estimates compared with last year. The estimates show a reduction of $44,000. What activities were eliminated as a result of that reduction?

Mr. WELLS. Mr. Chairman, with respect to the reductions which came about last year, both the $65,000 which came through the economy rider as well, from the reductions in the appropriation——

Mr. WHITTEN. How did that affect your program?

Mr. WELLS. I would like to start with the past fiscal year. In other words, we endeavored to anticipate those reductions—to cover them by reducing the lines of work in such way that we could come to the end of last fiscal year at about the rate to cover the reductions, which resulted in turning back a part of the previous fiscal year's funds. Do I make myself clear, because reduction in personnel causes another problem.

Mr. WHITTEN. Do you not think it would be well to create such problems if there is a real cut-back?

Mr. WELLS. The point I am looking at, Mr. Chairman, broadly is this, that we tried to anticipate any changes in the present fiscal year in advance and go far enough back to work the problem out gradually, to avoid personnel furloughs at the beginning of this fiscal year.

Mr. WHITTEN. Yes.

Mr. WELLS. What we did was to cut out some work in each particular field. We have tried to streamline our material, wherever possible, on some jobs, so we could do less work in certain fields, such as farm costs and returns and our farm population work.

Mr. WHITTEN. You recognize, particularly in the line of work you are in, just what this Nation is up against with an outstanding debt of some $270 billion and having to finance the war. I am sure that you agree that we have got to have adequate preparation and, being in the field of economics, you can see what effect that is going to have on the over-all operations of the Government during the next year. So we are going to have to cut other governmental expenditures if we are to finance this all-out military preparedness program.

Mr. WELLS. I assume in the discussion, Mr. Chairman, I should add "within limits."

Mr. WHITTEN. I think that is right.

Mr. WELLS. Within limits, because the problem that faces me is how can we find the answer to that unless we do know how long we can expect the defense program to continue—that is one of the problems that face us as we try to redirect our research. But since November 28 it has been clear we are faced with an all-out preparedness program, and our job, and one which we would like all the help we can get, and all the advice you people can give us, includes redirecting our research effort.

There are certain fields where it has appeared to me that the research work should be cut back or reduced. In certain other fields where a necessity exists for additional statistical information—and such demands are far greater than they ever have been before—perhaps the work should be expanded.

Mr. WHITTEN. Just looking over the figures you have submitted, you show a cut in expenditures for next year's operation amounting to eight-tenths of 1 percent.

Mr. WELLS. In all fairness, Mr. Chairman, there is no reduction.

Mr. WHITTEN. There is no reduction?

Mr. WELLS. There is no reduction. I understand that the budget itself carries the same total sum, if you allow for transfer to General Services Administration of certain items.

Mr. WHITTEN. I know that your work is important, but is there any way to make a substantial reduction in the regular operations of your bureau?

Mr. WELLS. It is my own feeling, at least, that our crop estimates work is as important as any of the defense items except actual military expenditures. Those statistics are essential.

The same thing is true with respect to much of our economic research: Statistics in the economic research field demand a large amount of time and work. I believe our economic investigations money will go a long way toward doing work which I think is going to have to be done. As a matter of fact, I think there are more demands for it now that there were previously—that there is going to be no question about the demands and the need for the results of such work.

Mr. WHITTEN. If you owed a debt to a bank of about $75,000, and you had determined that your income was not going to be sufficient to enable you to make payment on that debt unless you scaled down your living expenses, you would do that, would you not? That is just about what we have run into. That is a homely illustration, I know, but I think it is appropriate in considering the national problem. I appreciate that the question is difficult, but what would be your answer?

Mr. WELLS. Mr. Chairman, we have come before you, after presenting our requests to the Bureau of the Budget, with the items approved by the Bureau of the Budget for a total request, as I said, in the same amount we had last year.

Mr. WHITTEN. Do you expect to get it all?

Mr. WELLS. We only request the things which we think we can and should carry out. Now you ask, Do we expect to get it?

Mr. WHITTEN. Yes.

Mr. WELLS. It has been asked for with the thought that if we get it all we would do certain things. I think that this ought to be said: That I have tried to come before the committee previously, as I come this time, with the statement that we will take with good will and do our best to carry our work on such funds as the Congress allows.

We have requested the amount that we thought we could spend reasonably and efficiently.

As to your question about what I would do if I owed $75,000 to a bank: The only possible way I could pay that $75,000 would be by expanding my operations and my earnings in the future. I think that is one of the things we have to do—we have to continue expanding our economy, our national output.

Mr. WHITTEN. But If you had handled your business in such a way as to build up a $75,000 debt and if you could not see any way of paying, I do not believe you would look upon it as a practical means of paying that debt by further expanding your efforts along the same line.

(Off-record discussion.)

Mr. WHITTEN. I do not know how much real progress we have made. Certainly we have got to keep up our production, and we have

got to extend it. We cannot cut back to the dollar of 20 years ago and have any hope of handling this situation. On the other hand we cannot continue the things that may have contributed to some extent to building up the situation we are in.

I am rather in accord with your statement that it is necessary to carry on the crop and livestock estimates. If we have inaccurate figures and inaccurate records, they can result in increasing the expenditures much more than the money that might be saved by cutting down these sums. I do not know but what economic investigations are in the same category.

And there are a good many other studies which you have been carrying on that are good. At the same time I realize we have got to carry on much of this work, as we run into periods of rationing, controls, mark-ups, and margins of profits and things that lead to serious dislocation. In spite of the importance of these things I do think that we are faced with a most serious problem in trying to hold down Federal expenditures, and I am frank to say to you that I do not personally know, nor do I know anybody else who knows the answer. We have all got to do the best we can.

Mr. WELLS. Personally, Mr. Chairman, I feel that the personnel is more important than the funds, because frankly there is no use to have funds if I do not have the personnel I can trust.

Mr. WHITTEN. You mean trust from the standpoint of capacity?

Mr. WELLS. I mean professionally, that I just cannot take anyone; we have to have people who know how to do the work, and frankly, we are in competition with other agencies and departments.

Mr. WHITTEN. We will discuss in detail the economic investigations and the crop and livestock estimates. First, I think perhaps we should conclude with any general questions the members may have. Mr. Stigler, do you have any questions?

Mr. STIGLER. I have no questions, Mr. Chairman.

Mr. WHITTEN. Mr. Andersen.

COMPARISON OF EMPLOYMENT

Mr. ANDERSEN. Yes, Mr. Chairman, I want to ask Mr. Wells one or two questions.

Back in 1946 fiscal year you were given $4,350,000. That was about the time the World War II ended?

Mr. WELLS. Yes.

Mr. ANDERSEN. Since then how much increase in base have you had for those items; how much does it amount to, percentagewise, to get you on the same personnel basis as your present appropriation? That is, how many employees have you now as compared with 1946, and how much have wages gone up in percentages since that time? There have been several Federal pay increases since that time?

Mr. WELLS. There have been several, Mr. Andersen; I do not know offhand. We can supply that.

Miss CLARK. There have been four pay acts.

Mr. ANDERSEN. What I am trying to get at is how does the $5,395,000, which you are now requesting, compare as far as obtaining services is concerned with the figure you had in the fiscal-year 1946?

Mr. WELLS. What was that figure?

Mr. ANDERSEN. $4,350,000.

Mr. WELLS. And what is the figure now?

Mr. ANDERSEN. $5,395,000. Do you have more personnel today today than you had in 1946?

Miss CLARK. We do not.

Mr. WELLS. It is considerably less, I think, Mr. Andersen.

Mr. ANDERSEN. Is that the result of higher pay rates, or do you have a higher pay scale for your employees now?

Miss CLARK. In 1946 in economic investigations, there were 701 people, and now we have about 500.

Mr. WELLS. Seven hundred and it is now down to five hundred.

Miss CLARK. Yes. For crop estimates, we had 617 in 1946; and the crop estimates figure now is 642—the number under crop estimates has been raised a little. The net loss in personnel is about 175, or 13 percent.

Mr. ANDERSEN. Now in your investigations part of your work, can you tell me what is the average salary for fiscal year 1946 as compared to what you intend to pay for 1952 fiscal year?

Mr. WELLS. We can get an answer for you.

Mr. ANDERSEN. I would like to have that answer in the record. The point I am trying to get at is this: Have you unconsciously raised the general level throughout your organization to the point where perhaps the average has been stepped up one or two grades?

Mr. WELLS. Mr. Andersen, I think I would have to answer that we have not unconsciously raised the general level.

Mr. ANDERSEN. You see the point I have in mind.

Mr. WELLS. Furthermore, the statement I just made to the chairman with respect to requiring professional personnel, they are people that others are trying to get, and if we lower the average salary, lower than others pay, they might be able to take them. And in fact we are always losing some to other departments and outside as well.

Mr. ANDERSEN. I am now, Mr. Wells, trying to compare your budget estimate with what you had heretofore.

Mr. WELLS. Yes. But what I am saying is that we cannot keep our employees unless we can pay what other branches of the Government also are paying. That is one of the problems we are faced with, that of trying to keep a comparable pay scale in the Bureau of Agricultural Economics, because we are faced with competition from other sources including State colleges and other agencies of the Government.

We will supply you with the figures.

Miss CLARK. I might add that the amount from 1946 to 1950 allowed us by Congress was $720,500 to meet the increased pay-act costs in economic investigations; and in crop and livestock estimates, from 1946 to 1950 we were given $680,500 to meet the increased pay-act costs. These increases were partially offset by substantial reductions.

Mr. ANDERSEN. According to those figures are you able to maintain today the personnel you have had in 1946?

Mr. WELLS. Oh, no.

Miss CLARK. No. In economic investigations there are 200 people less. Under crop estimates we have 25 more people.

Mr. WELLS. We will supply the information for the record.

(The information requested follows:)

The average salary of all permanent full-time personnel in the Bureau in 1946 was $3,043 and in 1952 it is estimated at $4,153, an increase of $1,110, or 36 percent. The increase in the estimates for 1952 over 1946, however, is only $1,044,219, or 24 percent.

We do not have a comparison of a weighted average of salary rates effective prior to the fiscal year 1946 and those effective at the present time, but the following examples which cover the grades in which 88 percent of our people fall illustrate the effect of the pay acts:

Old grade designation	Present grade designation	Entrance rate prior to fiscal year 1946	Present entrance rate	Percentage increase
CAF-2	GS-2	$1,440	$2,450	70
CAF-3	GS-3	1,620	2,650	64
CAF-4	GS-4	1,800	2,875	60
CAF-5	GS-5	2,000	3,100	55
Professional 3	GS-9	3,200	4,600	44
Professional 4	GS-11	3,800	5,400	42
Professional 5	GS-12	4,600	6,400	39
Professional 6	GS-13	5,600	7,600	36

Examination of our records shows that a greater proportion of our employees were in the higher grades (grade 9 or above) in the fiscal year 1945 than at the present time.

Research and Marketing Act Funds

Mr. Horan. Mr. Chairman, I wonder if Mr. Wells could tell us where the RMA funds are set out; are they listed here any place?

Mr. Wells. Funds under section 10 and 10 (a) of the Research Marketing Act, as well as special research, have been combined into economic investigation appropriation for this year.

Title I funds have been combined into the regular appropriation for these purposes.

Mr. Horan. How are we going to keep track of these things, Mr. Chairman?

Mr. Whitten. That is a question that arises each year, Mr. Horan, and there is no ready answer to it. We cannot keep it straight without going through the different items. That is about the only way we can get it.

Mr. Wells. May I say on that, Mr. Chairman, that when funds were combined into my regular appropriation, we set up a program that would spend the same proportion of available funds this year as we spent last year on projects originated under the Research and Marketing Act.

Actually the procedure we have been following, for any project directly chargeable to the RMA advisory committees as the money is spent, through the accounting system, it is charged to that particular item, so that at the end of the year we can tell how much has been spent on projects in that particular field.

In other words, we tried to allocate enough funds to begin with to keep RMA work going at about the same rate this year as last, at least until we found out how much funds we had to spend.

You gentlemen understand that that was our first determination, before we knew what we were going to have. But we have been able to go ahead on that.

However, I do not think that is the entire answer to your question.

We have tried to keep Mr. Cardon's staff informed at all times, and Mr. Cardon has asked the various RMA advisory committees to review or survey all research and service work related to their particular commodity fields. We have been cooperating the best we know how and any advice or assistance the advisory committees can give us we will appreciate. That is, these combined funds constitute chiefly an accounting problem, but actually we would like to hold our accounting costs down.

Mr. WHITTEN. While we will go into this to some extent, I wonder if in investigating this situation we might not hear from Mr. Cardon and get his views?

Mr. WELLS. I have tried to give our position. I could talk about it for some time, but it does involve an accounting problem.

Mr. WHITTEN. Are there any further questions? If not, we will be glad to hear you with reference to the charts before we take up the detailed estimates, Mr. Wells.

PRICE TRENDS

Mr. WELLS (at chart). These charts, Mr. Chairman and members of the committee, are in the nature of a supplement to the Secretary's opening statement.

The first chart is one which I started with last year. It simply shows or compares prices received and prices paid by farmers.

You will note that from January 1948 to December 1949 farm prices declined 73 points, almost 24 percent, practically the only segment in our economy where there was not a rise in this period.

During the first 6 months of 1950 farm prices actually showed a slight increase—that is, before the Korean outbreak on June 24.

Since June 24 the farm prices have been increasing, 53 points or 21 percent June 1950 to January 1951.

For January 1951 prices received by farmers stood at the 300 point, basis 1910 to 1914 equal 100. Farm prices as of January averaged 110 percent of parity.

You must remember, however, that a good many farmers had sold their crops last summer or fall and, therefore, did not participate in this rise during this most recent 3-month period.

Mr. WHITTEN. That is what I would like to ask you about. I notice at the bottom of the chart it shows prices received; is that for prices received for farm products?

Mr. WELLS. Prices received for farm products as a percentage of prices paid.

Mr. WHITTEN. Does that mean, if you multiply that price by the volume moved at that price for a commodity it will give the return?

Mr. WELLS. Not necessarily. This index measures prices weighted by fixed quantity sales. In other words, we do not allow for month-to-month changes in sales volume. You have to take our farm-income estimates to get the answer you are looking for.

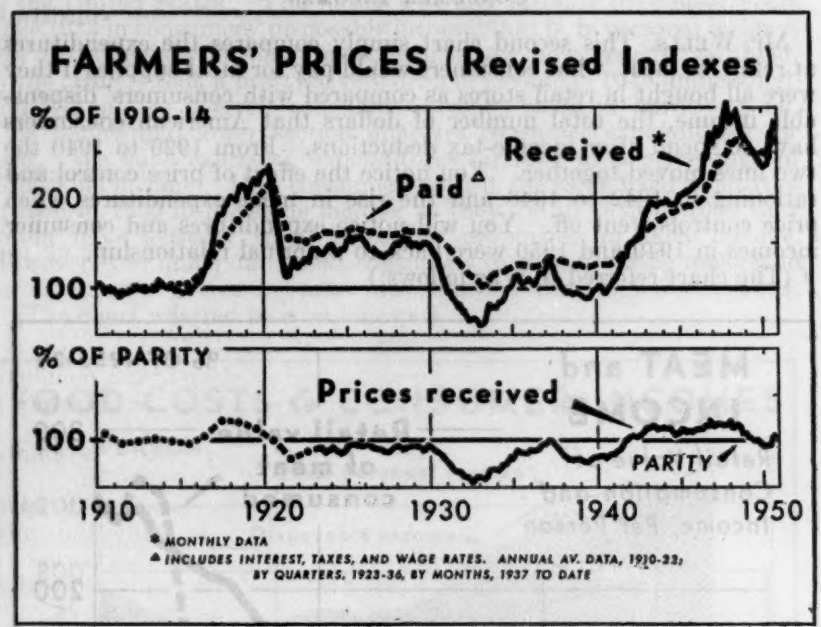
Mr. WHITTEN. I happen to know the situation with respect to cotton. If it is for cotton that is sold you would show one price, but for the average farmer who had no cotton, you would show whatever price the farmer has received.

Mr. WELLS. Yes.

Mr. WHITTEN. Do you have a statement reflecting the price at which spot cotton moved?

Mr. WELLS. Yes, sir.

(The material referred to is as follows:)



Mr. WELLS. This chart [indicating] simply shows the average level of prices that farmers are getting for the commodities they have to sell. It does not measure average returns to farmers for cotton.

Mr. WHITTEN. So that it would be inaccurate to say that the cotton farmer was getting anything like that price.

Mr. WELLS. Yes. You cannot interpret this price line here as accurately indicating the rise in farm income.

Mr. WHITTEN. And, as to the difference in the individual low points and high points, you do not know what the percentage is of those who have been able to market just the marketable commodities?

Mr. WELLS. This only measures what farmers can get if they have the commodities to sell.

Mr. WHITTEN. It does not help much if you don't have the commodities to sell.

Mr. WELLS. No. When you get into the farm-income field it is different.

Mr. WHITTEN. I just wanted to point out that weakness in this chart.

Mr. WELLS. Yes, we recognize that.

In terms of actual sales, gross income, farmers obtained almost the same gross income in 1950 as in 1949. But after allowing for production expenses the net realized income of farm operators in 1950 was actually less than for 1949, running about $13 billion as compared

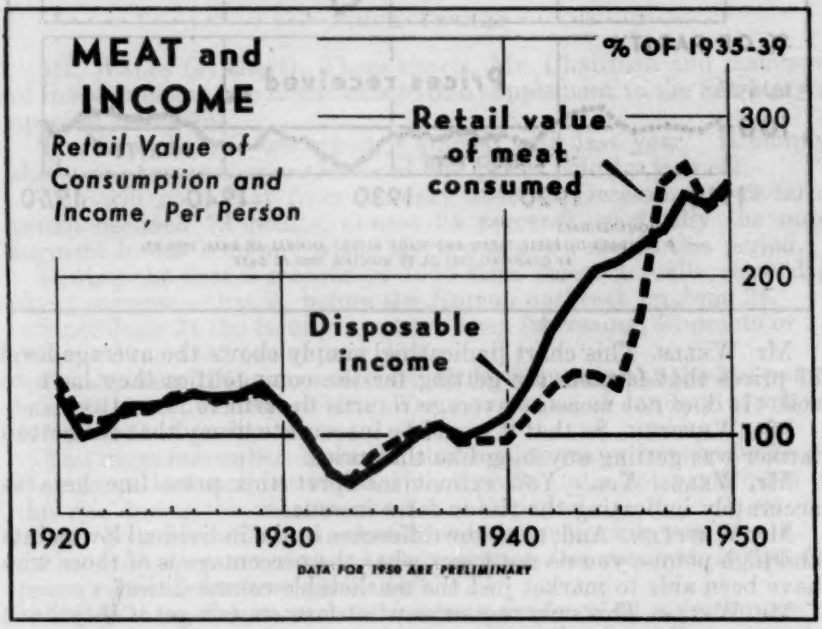
with about $14 billion in 1949 and almost $18 billion in 1947. That picture will be probably considerably improved in 1951.

Mr. WHITTEN. I have no further questions, Mr. Wells.

CONSUMER INCOMES

Mr. WELLS. This second chart simply compares the expenditures at retail for meat, what consumers would pay for meat supplies if they were all bought in retail stores as compared with consumers' dispensable income, the total number of dollars that American consumers have to spend after income-tax deductions. From 1920 to 1940 the two lines moved together. You notice the effect of price control and rationing in 1942 to 1946 and the rise in meat expenditures when price controls went off. You will notice expenditures and consumer incomes in 1949 and 1950 were back to a normal relationship.

(The chart referred to is as follows:)



Mr. WHITTEN. In the period of price control up until price control went off the savings on meat represented an increase to the consumer income.

Mr. WELLS. That is correct.

Mr. WHITTEN. Which to some might indicate that price control did that much good; but it fails to show that in that same time the national debt was increased about $4 billion by carrying subsidies which were not paid because we were not balancing the budget.

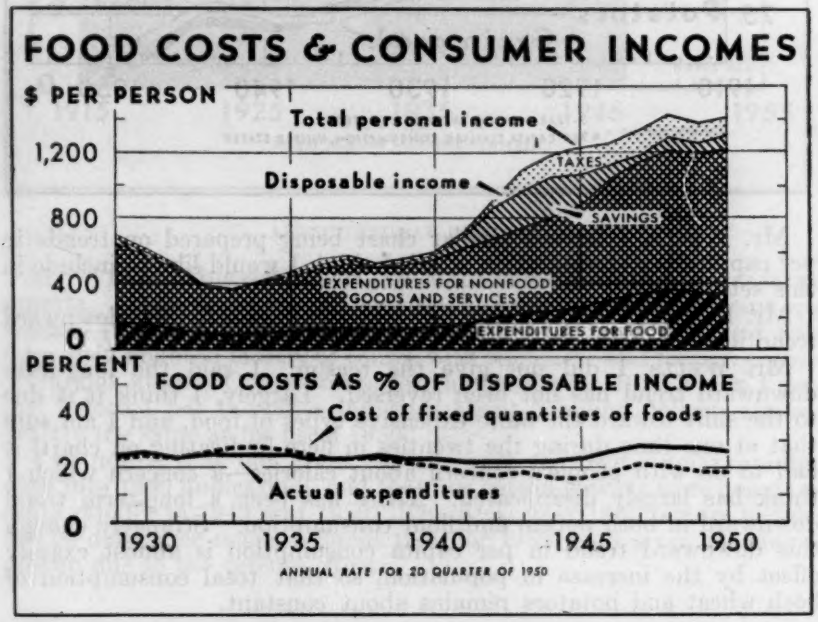
Mr. WELLS. Yes. The point I want to make is for the last 2 years, including the last quarter of 1950, meat prices and expenditures were just about normal as compared with consumer income.

Mr. WHITTEN. Meat prices were much higher, but income was about the same.

Mr. WELLS. Yes.

This third chart analyzes the total personal income of all the people in the United States. You notice a steady increase over most years since 1933 in consumers' disposable income; that is, in personal incomes less taxes, chiefly income taxes, which are now largely withheld. While farmers took a pretty severe drop in income in 1949 [indicating], you will notice over-all consumer incomes changed hardly at all. This [indicating] lower section analyzes consumer expenditures for food. We have expressed expenditures for food as a percentage of disposable income. Had consumers bought the same fixed quantities of food in 1950 in the same manner as they did in 1935 to 1939 they would have actually spent a smaller proportion of their income. However, you understand that consumers today are eating more food per capita as well as eating more in restaurants than they were prewar.

(The chart referred to is as follows:)

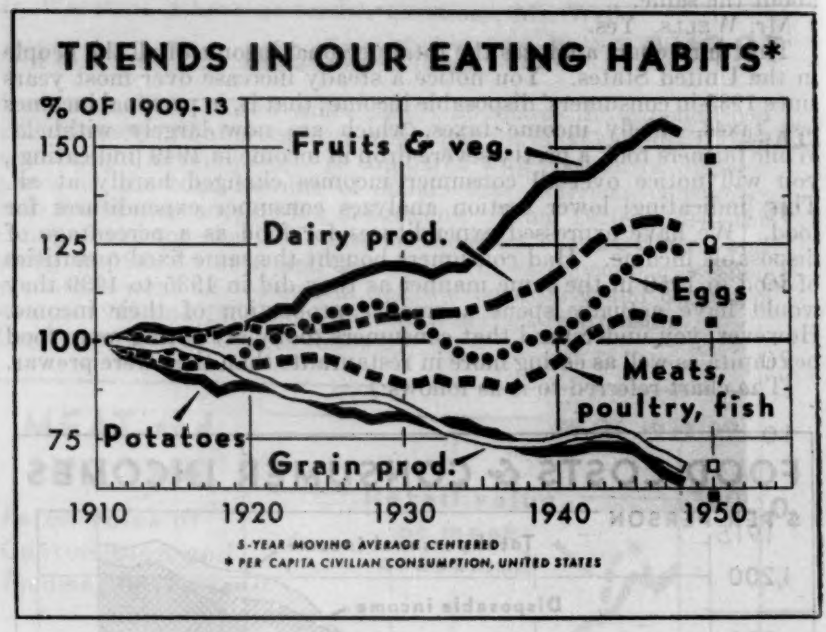


TRENDS IN FOOD CONSUMPTION

This fourth chart simply brings to date our data on trends in eating habits. It uses 5-year moving averages to show long-term trends. This chart also shows where we were in 1950.

Fruits and vegetables are down somewhat because of recent freezes affecting citrus fruits. Dairy products are down largely because of the decrease in butter consumption, with some recent decreases in fluid-milk consumption. Eggs are about at their peak. Meats are very close to their peak. As to potatoes and grain products the long term trend has brought them down and they are still low.

(The chart referred to is as follows:)



Mr. WELLS. I have a similar chart being prepared on trends in per capita fiber consumption which I think I would like to include in this set.

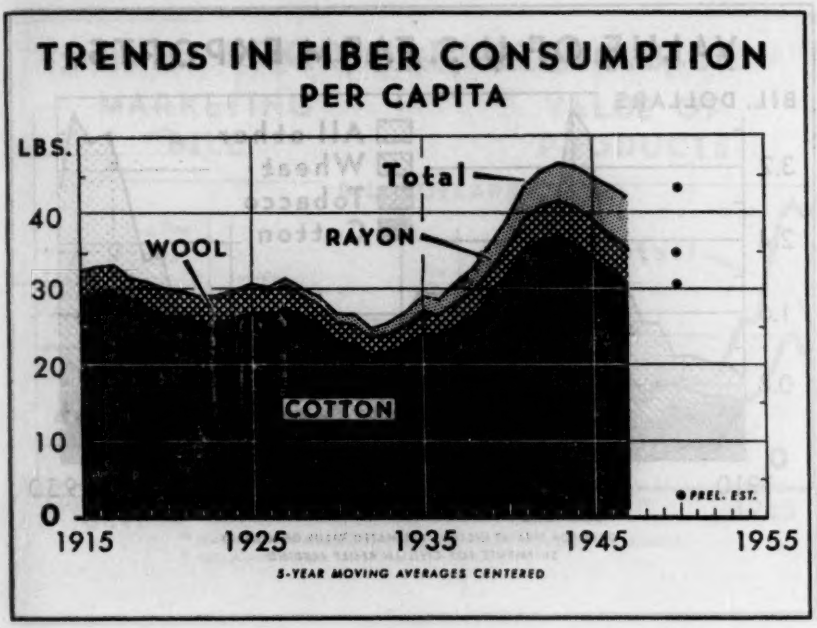
Mr. HORAN. What did you say was the reason for the downward trend in the consumption of potatoes and grain products?

Mr. WELLS. I did not give the reason. I said the long-term downward trend has not been reversed. Largely, I think it is due to the shift toward the more expensive types of food, and I am sure that at one time during the twenties in here [indicating on chart] it had to do with people's concern about calories—a concern which I think has largely disappeared. There has been a long-term trend downward in both potato and flour consumption. Strangely enough this downward trend in per capita consumption is almost exactly offset by the increase in population, so that total consumption of both wheat and potatoes remains about constant.

FIBER CONSUMPTION

This fifth chart, which I include with your permission, shows the trend in average per capita consumption of cotton, rayon, and wool. It shows that despite a lot of discussion and interest in rayon the basic fiber is still by all odds cotton.

(The chart referred to follows:)

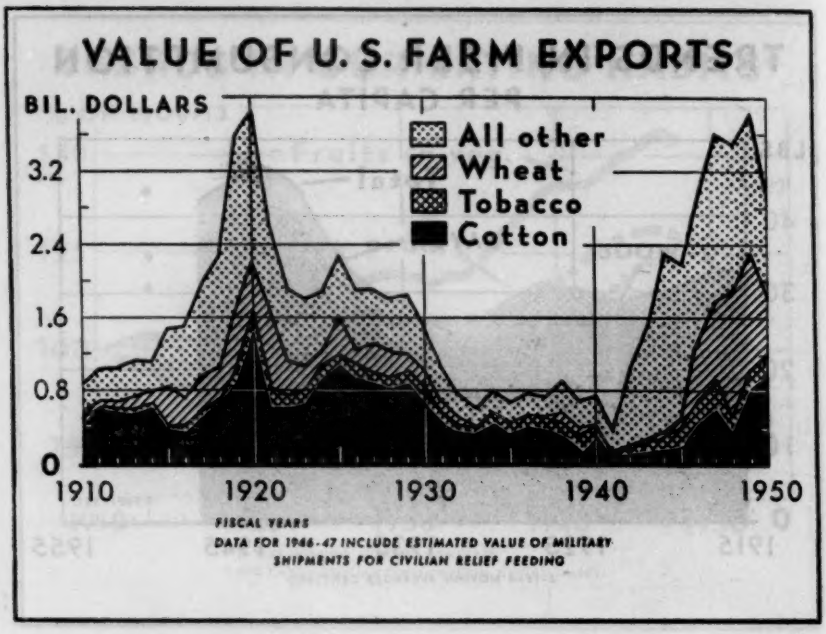


AGRICULTURAL EXPORTS

Mr. WELLS. This sixth chart shows the value of United States farm exports. It shows where we were in the twenties, the low point we reached following the outbreak of World War II, and the great rise from 1942 financed mostly of course with lend-lease and foreign grants of various kinds. Our estimate for the fiscal year 1951 which I got just before I left the office indicates about 3 billion dollars, almost exactly the same as for fiscal 1950.

You notice that our grain exports were narrowing very rapidly, 1949 into 1950 [indicating], and that our cotton exports were going up quite rapidly in 1949 and 1950. The fiscal year 1951 picture should not be dollarwise much different than for 1950, with grain showing a pickup due to the defense effort.

(The chart referred to is as follows:)

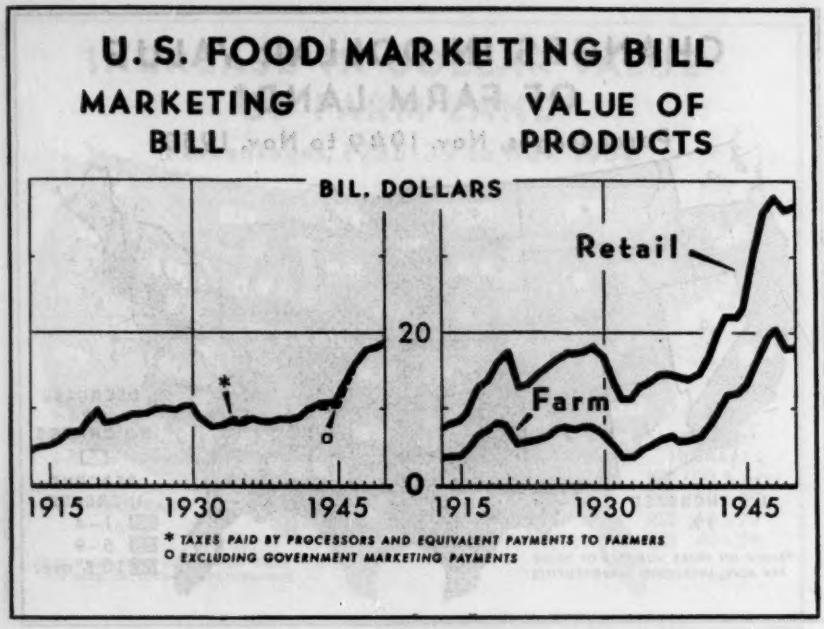


Mr. WELLS. Probably from the standpoint of consumer incomes and domestic full employment we believe the first half of 1950 was about "normal," but some people, I think, are inclined to forget that we were still supporting the foreign market with large grants, so that the demand for some farm commodities had not been fully adjusted to the more normal long-term situation.

FOOD MARKETING BILL

This seventh chart endeavors to show the food-marketing bill. I have never been completely satisfied with this chart, but we have never worked out one that did satisfy us. This [indicating] is the estimated value of all food at retail. There [indicating] is the amount that farmers get. This difference shown in the first half is really the marketing bill. From 1946 to 1948 there was a sharp increase.

(The chart referred to is as follows:)



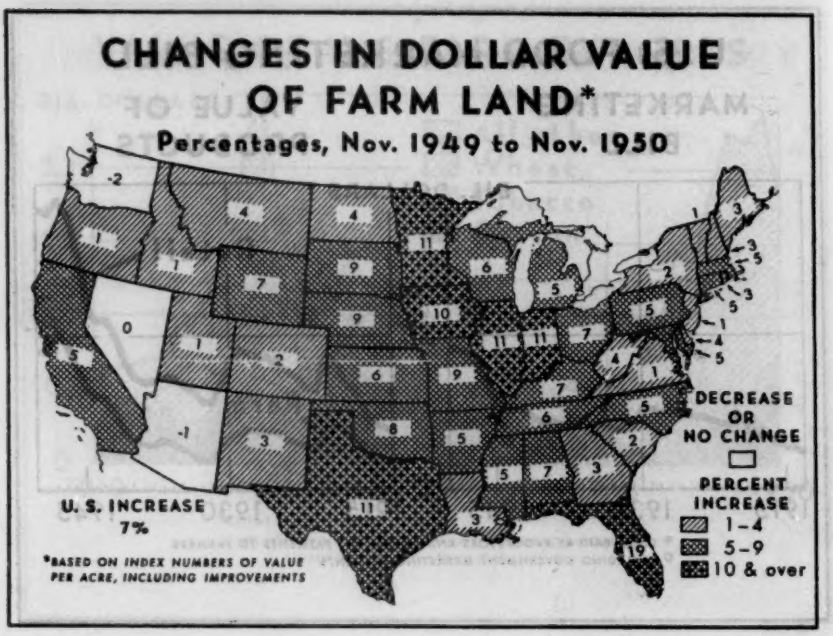
Mr. HORAN. Does that include the cost of transportation?

Mr. WELLS. Yes, that includes the cost of transportation, and everything else between the local market in which the farmer sells and the retail market in which the consumer buys it. This is a subject, as you gentlemen know, that several congressional committees are quite interested in. One thing that is quite often forgotten is this sharp increase in prices following the end of OPA, a 50 percent or more increase in marketing costs for food.

FARM LAND VALUES

This eighth chart indicates by States of the average change in dollar value per acre of farm land from November 1939, to November 1950.

(The chart referred to follows:)


CHANGES IN DOLLAR VALUE OF FARM LAND*
Percentages, Nov. 1949 to Nov. 1950
DECREASE OR NO CHANGE
PERCENT INCREASE
1-4
5-9
10 & over
U. S. INCREASE 7%
*BASED ON INDEX NUMBERS OF VALUE PER ACRE, INCLUDING IMPROVEMENTS

Mr. WELLS. Remember, we reached the postwar peak in 1948. There was some decline in land values from 1948 to 1949, and then last year they turned up again. The only place you do not find increases is in these States [indicating].

Mr. ANDERSEN. Off the record.

(Discussion off the record.)

Mr. HORAN. What is the reason for this change by sections?

Mr. WELLS. It is hard for me to say. I think most of this general farm increase is due to strengthening in the farm prices in the last year. When you get out into this irrigated or specialty crop section, I am not familiar with the State-by-State conditions.

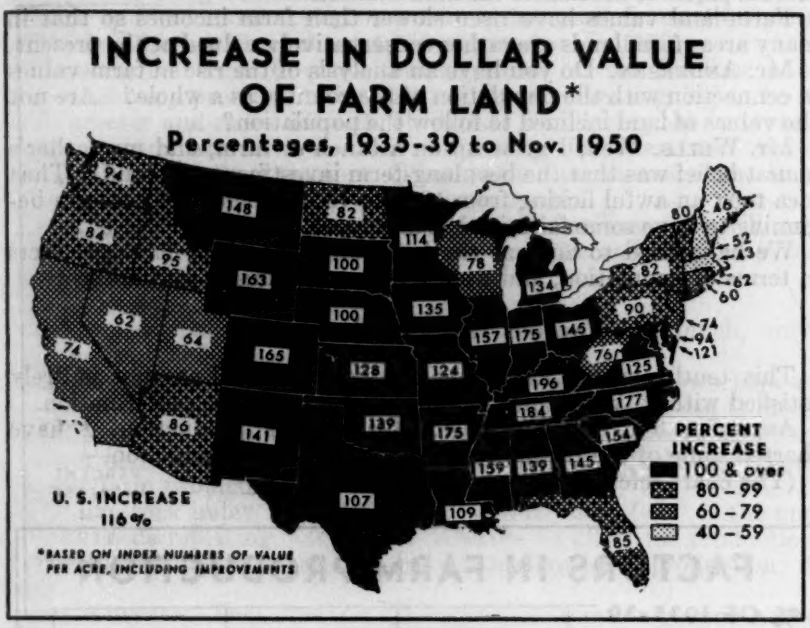
Mr. ANDERSEN. I did notice during the war that Minnesota farm land, around where I live, went up comparatively little.

Mr. WELLS. Yes, that is right.

PERCENTAGE OF INCREASE IN DOLLAR VALUE OF FARM LAND

This ninth chart shows the percentage of increase, prewar to November 1950. You will see that from 1935–39 to 1950 there were increases in many States of over 100 percent.

(The chart referred to follows:)



Dr. JOHNSON. If you take the increase from July to November, Mr. Horan, there was an increase in Washington and all the other Western States as well. So, there has been an increase recently.

Mr. WELLS. Yes. This is from prewar to present date, and there is a 94-percent increase, prewar to the present in Washington. For the United States the increase averages 116 percent.

INCREASING DEMAND FOR LAND

Mr. WHITTEN. A few examples do not make a case, but I see in some areas much evidence of the fear that people have with regard to Government bonds. They want to buy something solid, something that they can put their feet on.

You would be surprised how much the demand for land has gone up because folks who have made lots of money in the cities—plumbers, manufacturers, or whatever they are—take the money they have accumulated and buy a farm. Most of the time they do not quit their business. It is just something on the side for them, but it happens to raise the price of farm land for the farmer who is trying to buy a farm to farm it. It does not take many of those outside buyers to run up the general market, and I have seen lots of examples of that in my own area.

Mr. WELLS. Many good farmers have not been selling land during the last 10 years.

In our land value we endeavor to find out what proportion of land transactions or sales are made to investors versus operating farmers.

There is, as you say, a great deal of nonfarmer buying, and around certain places it dominates the land market.

Farm-land values have risen slower than farm incomes so that in many areas farm lands are rather conservatively valued at the present.

Mr. ANDERSEN. Do you have an analysis of the rise in farm values in connection with the population of the country as a whole? Are not the values of land inclined to follow the population?

Mr. WELLS. Well, I grew up on a ranch or farm, and my father's honest belief was that the best long-term investment was land. That idea took an awful licking from 1919 to 1933. Since 1933 we are beginning to have some faith in that argument again.

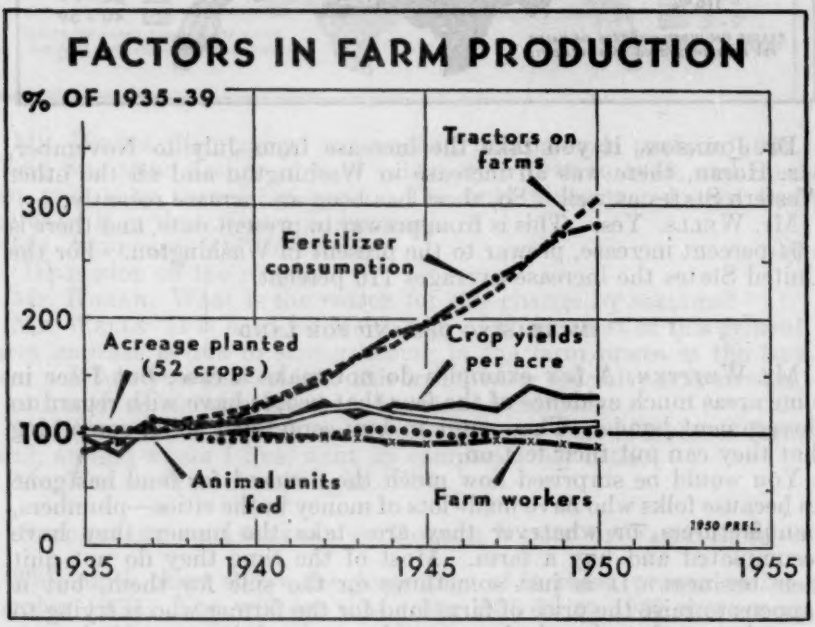
We have tried to analyze the long-run demand for farm products in terms of population, and we are rather optomistic on that score.

FACTORS IN FARM PRODUCTION

This tenth chart I have recently worked out, I am not entirely satisfied with it, yet I think it shows some interesting information.

Assuming our major problem this year is production, I have charted some of the factors relating to total farm production.

(The chart referred to is as follows:)



The first thing this chart shows is the extremely rapid rate at which American farms from 1940 to 1950 have shifted to tractors

and other farm machinery and to fertilizers. Whereas in 1940 farmers were using a million and a half tons of (plant food equivalent) fertilizer and had about 1,500,000 tractors; they used almost 4,000,000 tons of fertilizer and had about 4,000,000 tractors in 1950.

These figures begin to show the magnitude of the fertilizer and farm machinery problem. The farm supply problem is going to be a much greater and more difficult job than it was during the last war, simply because we have doubled our use of fertilizers and more than doubled our use of tractors. That means that the use of gasoline and other things is going up in the same proportion.

I would estimate that if farmers can get the fertilizer they will use 15 percent more fertilizer in 1951 than in 1950 and that may be conservative.

As to crop yields, they are up one-third.

Acreage of planted or cultivated crops don't change much, only 2 or 3 percent, and it is almost constant.

Notice that there has been a downward trend in farm workers as compared with 1935 to 1939. Now, this farm worker trend is more dramatic than it looks, because of the scale we have to use to keep the fertilizer and tractor indexes on the chart. Labor is likely to become a major farm problem.

The livestock index, the line labeled "animal units fed," is the one I think needs replacing. It doesn't measure or allow for production per animal unit—it tends to understate livestock production, I think.

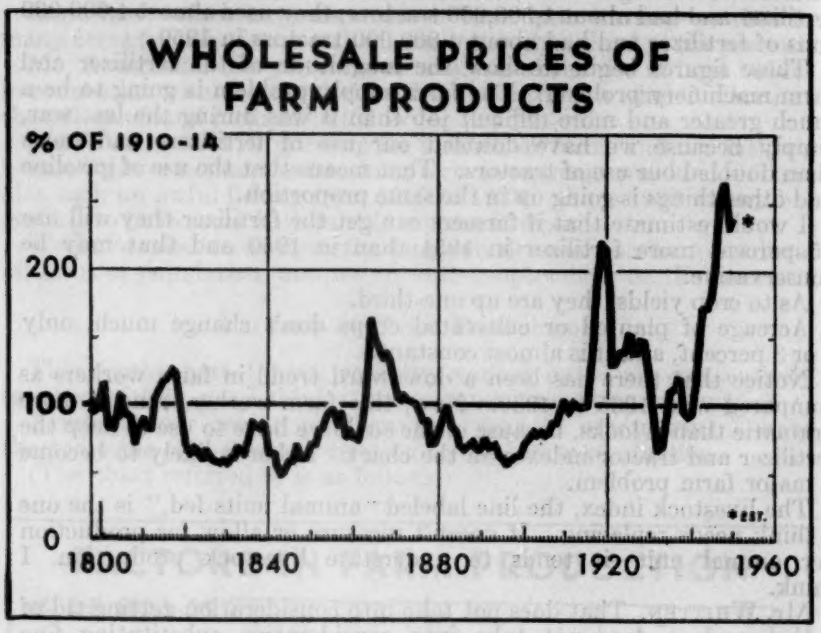
Mr. WHITTEN. That does not take into consideration getting rid of mules, and it does not take into consideration substituting fine thoroughbred cattle for the old type. The increased value per unit is not shown by that figure.

Mr. WELLS. Yes, as I say, I am not altogether satisfied with it. I want to find something to show that better there. I also want to look at this farm workers' index again.

WHOLESALE PRICES OF FARM PRODUCTS

Finally, here is a chart, my last chart, Mr. Whitten, that comes back to your question of how are we going to pay the national debt. It shows an index of wholesale prices of farm products, 1800 to 1950. Here is World War I, and here is World War II [indicating]. One of the problems that we all discuss on occasion is, Are we going to be able to stabilize farm prices somewhere up around the 200-plus level [indicating], or inevitably do they go back down to previous depression levels [indicating]? My answer is that we must make an effort to hold them in this upper range [indicating].

(The chart referred to is as follows:)



Mr. WHITTEN. There is no question about that.

Mr. WELLS. I think the operations of the Commodity Credit Corporation has done much in the last few years to support farm prices, to hold back this last drop [indicating on chart].

Mr. WHITTEN. Mr. Wells, in connection with these charts, I hope you will feel free to change the record to clearly bring out the points that the charts show and to supplement your statements as you deem wise.

Mr. WELLS. Yes. And I should like to include the fiber-consumption chart.

Mr. HORAN. Mr. Chairman, this part here which has the farm output and labor input, isn't that what you were complaining didn't show like instances on that other chart?

Mr. WHITTEN. Yes. I think that is one of the things. This other chart shows that, as the use of fertilizer and tractors increase, the labor decreases. I think that is one of the improtant factors in this whole farm situation.

RMA PROJECTS UNDER ECONOMIC INVESTIGATIONS

Under the heading "Economic investigations," how many of those projects are there that were transferred from the Research and Marketing Act and what part of your money is spent on them?

Mr. WELLS. I believe $552,000 is the amount of money we spent last year on the RMA projects.

Mr. WHITTEN. Now, how many projects did you carry on under that?

Mr. WELLS. That is one I will have to go back and count. We carried 20 projects under RMA.

Mr. WHITTEN. Those projects were selected by your commodity committees as set up by the Research and Marketing Act?

Mr. WELLS. Most of them were, Mr. Chairman. I wouldn't say that every one of them originated with the commodity committees. They originated either with the commodity committees or were projects which had been recommended by or discussed with the 11-man advisory committee.

Mr. WHITTEN. Now, with respect to your next year's operation, what percentage of this money do you contemplate using for work that is selected by your commodity committees or by you 11-man advisory committee?

Mr. WELLS. Mr. Chairman, my purpose for this year is to endeavor to spend at least the same amount on Research and Marketing Act projects dollarwise as we spent last year, despite some reduction in over-all funds.

For next year it is my understanding that before we go into operation there will have been meetings of all the commodity or advisory committees. I assume we will then analyze their recommendations. And this time they are being asked to look at all the work of the Department. Where the committees make specific recommendations we will try to find ways to implement them just as we did this year in preparing our budget.

Mr. WHITTEN. I am glad to hear you say that. We have always felt that what we wanted was not less but more use of the committees in helping the Department in drawing up new projects.

Mr. WELLS. If the advisory committees will take time to look at the work we will be glad to have them indicate which they believe should be continued, which reduced, which closed out in addition to their recommendations for new work.

I would, however, ask to be allowed to argue with them in case we have a different opinion.

Mr. WHITTEN. No one is asking you to turn your opinion over to the other fellow, because the other fellow would overlook some further reasons for the work you are recommending.

Looking back to some of your activities, I just wonder if the outlook is changed somewhat as to what you should be doing. For instance, we gave you studies of mechanical cutting and hand picking of cotton in getting practical results at lower cost, better ginning equipment and so forth. You have got that story now and it has been very important. Now, with our changed economic situation the question arises as to the number of mechanical harvesters, which will necessarily be determined by the available labor, and the necessity of having some means to get the cotton out. I think this kind of study should be postponed for the present.

Mr. WELLS. Mr. Chairman, all I can say is that I think this is one of the questions we have to look at and try to find an answer to. We have been as you know studying the mechanization of farming not only in the Cotton Belt but also in other areas of the country. We believe our studies in mechanization have been very useful. To take a specific example, in the Mississippi Delta I know that the people who extend credit when they found themselves faced with the restriction in cotton acreage this year found the data from these studies

helpful in arriving at a decision as to what were the best alternative crops to recommend. It is my understanding as to the people in the same area—and this was also true in Texas—when they found themselves facing the request of the Secretary of Agriculture to increase cotton acreage for the coming season asked for our mechanization data to be rearranged to help determine where it looked most feasible to increase cotton.

There has been a very considerable resurgence of interest in this and other production research as opposed to some lines of marketing research during the last few months. I think we ought to continue the mechanization studies and some of these other projects, always, of course, with such changes as will make them most useful. One thing on which we have to arrive at a decision fairly soon is whether to take our farm-management people off of what they are now doing for a long enough time to come to some conclusions as to how much acreage there is that can be safely ploughed up and cultivated; secondly, as to crop and livestock practices that can best be used in the interest of increased production; and third, as to how those things fit together.

Mr. WHITTEN. Estimates of production, income and costs on 15 types of farms in 7 major farming regions were prepared and published for 1949. For the first time since 1941 farm returns in 1949 began to decline generally on these 15 important types of commercial family-operated farms. Preliminary results for 1950 indicate reductions below 1949 on cotton and dairy farms, and income increases on wheat and Corn Belt farms.

All that information is very much worthwhile, but it strikes me that you might give a little thought as to whether this is an abnormal period and whether you should not wait on some of this work. I told the Secretary the other day I regretted his so-called plan of breaking up the bigger farms to make the whole Nation into family-sized farms. Certainly I want to see the family-sized farm operated and I want to see the man in charge of it make a good comfortable living. But if you break down all your larger farms to that level, groceries would go up about a thousand percent. They would go up just about like a car would go up if you made it all by hand labor.

Mr. WELLS. I think the point you are raising here becomes quite important. First, we are not trying to either break down or add up farms, but what we have been trying to do for a number of years is to develop a series of representative farm organizations in cotton, dairy, grain, and other farming areas. Now, when we say "representative family farms" here, Mr. Chairman, a representative family farm is simply an average of all farms excluding those farms that are very small and the ones that are very large; in other words, striking an average. As to the question of how important such studies are, I think they will all become important. One of the problems we are going to be faced with if we have controls over any long period is whether returns to particular type farms are sufficient to maintain production or whether something more is needed to make increased production practical. And there I think these particular types of analysis will be useful, because when you start talking about costs of production you have to look at the entire farm operation on average or typical farms in the main producing regions.

Mr. WHITTEN. Your opening statement was rather short, and for this reason I wish to ask you to enlarge it. And I think probably a sentence or two about each of these 20 or 25 projects might be sufficient. We can just as well show what you are doing and I think it would be proper for you to do it.

Mr. WELLS. We will be glad to do so. Remember, these statements we have been discussing were prepared quite a bit in advance, and in these cases where the statistics have changed I hope you will allow me to bring them up to date.

Mr. WHITTEN. Yes; the latest information.

Mr. WELLS. Most of them I think are all right.

(The material referred to is as follows:)

ECONOMIC INVESTIGATIONS

ECONOMICS OF PRODUCTION

The defense program accentuates the importance of research in economics of production. We need to know under what conditions scarce supplies of labor, machinery, fertilizer, and other production materials will contribute most to farm output. Production efficiency becomes a key problem. In this period of uncertainty we need measures of both current and possible changes in farming and their potential effects on production.

1. Total farm output in 1950 was 37 percent above the prewar years 1935–39. The effects of technological developments and other factors are being analyzed to determine potential production capacity.

2. Annual estimates of labor requirements in farming indicate that about 18.3 billion man-hours of labor were required on farms in 1950. This is a record low, and about 5 percent below 1949. The very small cotton crop in 1950 accounts for part of the decline. With the more complex mechanized agriculture of today and with fewer farm workers, it is more important than in World War II to retain key skilled workers on farms.

3. As a part of continuing analyses of progress and extent of farm mechanization data were developed during the year on influence of size, age, and type of tractor on fuel consumption and annual hours of tractor use. Tractors consumed over 40 percent of liquid petroleum fuels used on farms, and tractor fuel is now a key farm supply item. We now have 2.3 as many tractors on farms as we had in 1941 and the average hours of use per tractor has increased about 20 percent.

4. Economic studies of cotton mechanization, based on price relationships of the last few years, indicate each mechanical picker should pick 100 bales or more per season for it to be significantly more economical than hand harvesting. Special studies also have been made of the economy of using the flame cultivator and other methods of weed control; also the use of anhydrous ammonia as a nitrogen fertilizer.

5. Studies of economics of farm electrification indicate that the amount of electric power used on farms is determined largely by the length of time the farm has been electrified, by the level of farm income, and by the type of farming. Dairy and poultry are particularly heavy users of electricity.

6. Annual estimates of production, income and costs on 15 types of farms in 7 major farming regions provide up-to-date information on costs and returns to farmers on different types and sizes of farms. They also provide a basis for estimating the potential effects of changes in prices, costs, and other factors, on production and on farm income.

7. Cooperative studies with State experiment stations were continued to determine the more efficient farming systems and to assist in appraising new farming developments in different regions; for example, ways of improving farming systems were studied in western North Carolina where nearly 40 percent of the commercial farms in the area had 30 acres or less of open land; economic costs and advantages of increased utilization of farm-grown feeds were studied in western Kansas, northern Colorado, eastern Montana, western Iowa, southern Wisconsin, northern Pennsylvania, and Alabama; the ways and extent by which labor, feed, and other costs can be reduced on dairy farms were studied in Michigan, New Hampshire, and Connecticut; a study was made of the relative profitableness of different systems of farming in the Red River Valley of Minnesota and North

Dakota; an evaluation was made of present and alternative systems of farming in eastern Oklahoma to develop ways of increasing farm incomes and of maintaining soil resources; the costs and income results from using sprinkler irrigation systems were studied in Washington, Oregon, and Idaho.

8. Farm land values set a new record in November 1950. After a gradual downward trend during 1949, land values began to rise moderately in early 1950 and more rapidly after the outbreak of hostilities in Korea. The United States index for November 1950 was 179 (1912–14=100), about 1 percent above the previous peak in November 1948 and 5 percent above the high reached in 1920.

9. The Bureau's land-use inventory disclosed a net increase between 1944 and 1949 of 7,000,000 acres of land used for crops, including cropland harvested, crop failure, and fallow.

10. Farmers are developing about 1½ million acres of new land per year by clearing, drainage, and irrigation. Costs of new land development are much higher now than in 1940. Clearing costs range from $25 to $100 per acre, drainage costs from $10 to $50, while irrigation costs to the farmer generally range over $100 per acre.

11. Research in water utilization has been concerned primarily with selected phases of river basin programs. An analysis of proposals in the Missouri Basin indicates that 7,000,000 acres of land ultimately could be provided with water; 5,000,000 under new irrigation; and 2,000,000 under supplemental irrigation.

12. An analysis of the water rights situation in Michigan indicates that farmers undertaking supplemental irrigation are operating on questionable legal grounds when they appropriate surface water for irrigation. Legislation is needed to clarify farmers' rights to use water for irrigation in most of the humid States.

13. Farm tenure studies indicate that individuals own 85 percent of the farm land in the United States; corporations own 6 percent. A study of ownership problems in the Midwest indicates that attaining ownership without family help is a difficult process. Most farmers achieve ownership after they have reached the peak of their ability to do heavy farm work.

14. Farm mortgage credit studies show that mortgage debt has been rising steadily since 1946. Preliminary figures indicate total mortgage debts of 5.9 billion dollars on January 1, 1951. This is a 9-percent increase over 1950 and a 26-percent increase from the low point in 1946. Non-real-estate debts have been rising much more rapidly and are now 120 percent above the low in 1945.

15. Farm assets in current dollars were higher on January 1, 1951, than ever before, largely because of rising farm real-estate values, but also because of more livestock and machinery on farms and some increase in crop and livestock prices. Measured in 1940 dollars, the largest increase since 1940 has been in financial assets, although significant increases have occurred in farm machinery and motor vehicles and in household furnishings and equipment. Preliminary estimates indicate that financial assets totaled 21.8 billion dollars on January 1, 1951. Although deposits and currency holdings were about three and one half times larger than in 1940, they had only about 1 and three quarter times as much purchasing power as in 1940 because of the higher prices that farmers now pay for goods and services used in production and family living.

16. Real-estate taxes per acre assessed in 1949 and payable in 1950 were at new record levels. The index of taxes per acre (1909–13=100) reached 296 in 1949, compared with 275 in 1948 and 281 in 1929, the previous high point.

PRICES, INCOME, AND MARKETING

1. The postwar decline in farm income which began in 1948 was reversed in mid-1950. However, rising prices of most farm products during the second half of the year were not quite enough to offset the combined effect of lower prices earlier in 1950 and an over-all reduction of 6 percent in the volume of products sold. Consequently, cash receipts from farm marketings for the year as a whole were down 1 percent from 1949. Farmers' expenses of production rose about 6 percent; and realized net income, estimated at $13,000,000,000, was 8 percent less than in 1949 and 27 percent below the postwar high in 1947.

With economic activity and employment at exceptionally high levels, the demand for most farm products is very strong. Prices received by farmers, as well as commodity prices generally, have increased sharply since the Korean outbreak. Larger agricultural production anticipated for 1951 and higher prices should bring a substantial increase in cash receipts. However, higher production costs will prevent farm operators' realized net income from rising much above

the 1947 level. On the other hand, nonagricultural income is running substantially above any previous year.

2. A continuous analysis of food supplies is maintained, and estimates of per capita consumption by civilians are appraised and revalued regularly in The National Food Situation and other releases of the Bureau. The expected high level of production of livestock products and large crops in 1951 will sustain a higher rate of food consumption per person by civilians than last year even though military purchases of food for our Armed Forces will be larger than in any year since the end of the war. Some reduction in food exports is anticipated. Increasing use is being made, both within the Department and by other Federal Government agencies, of the data on supplies and distribution of major foods in measuring the impact of the defense program on requirements of food for civilians and for the military.

3. In the commodity situation reports which cover all of the major groups of farm commodities, continuing analyses of the underlying causes of price, supply, and consumption changes are provided. Since the outbreak of the conflict in Korea, the major emphasis has been the appraisal of the impact of growing demand on farm products and the prospective requirements for food and fiber. For example, competition between cotton and synthetics, particularly rayon, for a greater share of the world markets for textiles has been increasing. Currently, however, the demand for fibers is so large that maximum output of all types can be readily absorbed. Other items of interest are:

(*a*) The United States is now more dependent upon foreign sources for wool than prior to World War II due to a higher level of consumption and a much lower level of domestic production. Some expansion in domestic production may take place during the next few years. Demand is expected to continue strong.

(*b*) As a result of below-average relationships of dairy prices to feeds and other farm products, the rise in milk production ceased by mid-1950. With relatively stable farm milk production and increasing consumer demand causing increased consumption and higher prices of fluid milk, less milk has been available for manufactured dairy products. Government stocks of butter and cheese have been essentially liquidated.

(*c*) A favorable outlook is developing for the poultry industry despite the termination of dried-egg purchases by the Government. Demand for eggs has increased sharply since the summer of 1950.

(*d*) Before Korea, prices of hogs had trended downward for 2 years while prices of cattle were more nearly stable. With a strong demand for meat in prospect, it appears probable that meat-animal production will increase in 1951 and will provide for military needs and a slightly larger civilian consumption as well. Feed prices are considerably higher and a reduction in our large reserve stocks is in prospect by the close of the feeding year.

(*e*) Prospects for a 1951 wheat production in excess of domestic and export requirements are again favorable. It is likely that spring-wheat acreage will be increased; an increase in winter acreage has already taken place. The wheat carry-over July 1, 1951, is expected to be relatively large.

(*f*) Prices of fats and oils rose 60 percent after Korea, despite a large output. Production will be slightly larger in 1950–51 than in the preceding year. Demand will continue strong.

(*g*) Prices received by farmers for fruit in 1950 generally were higher than in 1949. Output of frozen concentrated citrus juices more than doubled from the previous year. Recent events have greatly strengthened the demand and price prospects for canned and frozen vegetables and for dry edible beans, primarily because of increased military requirements. Potatoes continue in surplus supply, with no support scheduled for 1951.

4. The farmer's share of the consumer's dollar spent for farm food products rose to an estimated 51 cents in January 1951 from a level of 46 cents in June 1950. The farmer's share averaged 40 cents during 1935–39 and rose to a wartime high of 54 cents in 1945.

5. Consumer expenditures for foods accounted for 25 percent of their disposable income (excluding direct personal taxes) in the fourth quarter of 1950, compared to 27 percent in 1949 and a prewar average of 23 percent. The higher share of income spent for foods in 1950 included a substantial increase over prewar in the quantities of foods consumed per capita, and a larger proportion of expenditures for prepared meals purchased in eating places. The same quantities and descriptions of foods which accounted for 23 percent of disposable income in 1935–39 could have been purchased for 18 percent of disposable income in the fourth quarter of 1950.

6. The national bill for marketing farm food products from producers to the retail-store level rose from 18.2 billion dollars in 1949 to an all-time record of an estimated 18.6 billion in 1950. The retail value of these foods rose from 36.2 billion to 36.8 billion dollars, and farm value of equivalent products increased from 18 billion to 18.2 billion dollars.

7. Consumer preference work has been carried on in the field of children's clothing and in household fabrics. These complement previous studies on consumer attitudes toward cotton and competing fibers in both women's and men's clothing. These studies ascertain the nature and intensity of, and the reasons for, the preferences of household consumers for cotton goods, and the methods by which they are marketed.

8. Preliminary analysis of a study of the market potential for protein materials for industrial use made by a commercial agency under contract indicates that vegetable protein materials may become increasingly important in several industrial uses. Research plans in some of the regional laboratories have been influenced by these findings.

9. Findings under a number of regional marketing projects, carried on in cooperation with a number of the State experiment stations, have yielded valuable information on marketing methods and problems. For example, a study of intermarket price relationships for milk in the northeastern region analyzes the expected effects upon prices and milk supply areas of seasonal changes in supply, changes in freight rates, and other factors. Marketing of southern eggs is made difficult by the large number of small producers, by lack of incentives for quality maintenance, and by wide seasonal variations in marketing. A recently published report, "Shifts in the Trade in Western Slaughter Livestock," shows that slaughter of livestock in the 12 Western States has increased considerably faster than human population, that supply areas have moved steadily eastward, and outlines importance of the western market.

FARM POPULATION AND MANPOWER

1. A new and improved definition of farm population has been introduced into the decennial census and is being used in current farm manpower planning. Around 2,000,000 persons who live on farms but are not connected with agriculture will no longer be included in the farm population.

2. The population of every major geographic division in the United States is expected to increase between now and 1975, according to projections recently made. No curtailment of farm production for local consumption appears in prospect for any major area, with largest increases indicated in the Pacific States.

3. Current estimates have been issued on the age, sex, and employment status of the farm population. These estimates throw light on the farm manpower situation since they show a significant increase in the proportion of farm residents 45 years of age and over and that about nine-tenths of the decline in farm population between April 1940 and April 1949 occurred among persons under 25 years of age. Farm residents employed in agriculture dropped 900,000 during this period.

4. The hired farm working force in 1949 included more than 5,000,000 different persons, according to a recent survey. Persons principally engaged in farm-wage work averaged $925 wage income for the year from both farm and nonfarm work, including 211 days of farm work and 14 days of nonfarm work. A special study on migratory farm laborers shows a marked increase in their numbers from 1945 to 1949.

5. Analysis of current data on farm employment, farm labor supply, and farm wage rate levels during the year formed the basis for various reports on the agricultural manpower situation. In 1949, the annual average agricultural employment of about 8,000,000 included 2,400,000 men aged 18 to 38 years, 1,000,000 of whom were estimated to be single. A reduction of one-half million in this number would reduce the proportion of men of military age among farm workers to what it was in the last year of World War II.

6. Analyses of urban and rural levels of living show that the farm population has made relative gains in use of electricity, and in percent of births which take place in hospitals but it had relative losses in telephones and available physicians and dentists.

7. Utilization of health services: Studies in cooperation with land-grant colleges in Mississippi and New York show differences between counties in each State in the use of health services as influenced by such factors as income, occupation, distance from trading centers, age, sex, and education.

8. Social security for farm people: A special study shows that 650,000 hired farm workers are now coming under the old-age and survivors insurance program as provided for in the new amendment to the Social Security Act, that the average cash wage of the year-round workers covered is $100 a month, and that the payroll tax for such a worker will cost a farmer about $18 a year.

WHEAT PROBLEMS OF PACIFIC NORTHWEST

Mr. HORAN. We have a wheat economy out in the Pacific Northwest, and when we try to apply Federal or National formulas—when we try to use Federal farm laws it just doesn't fit it out in the Pacific Northwest wheat economy. And while we haven't tried to keep our problem secret out there, we are just not getting any place in solving it. As a consequence our mills are running about 40 percent, some of them. For our livestock we have to depend upon millings as part of their feed sources, and they are diminishing. We have even considered the possibility of shipping corn in from the Midwest. I want to know what you are doing about it, and if what you are doing will solve our problem, why I would be glad to hear about it.

Mr. WELLS. Well, Mr. Horan, let me divide that into two parts. First, what are we doing? We are endeavoring for the Pacific Northwest—and I would say for the other areas of the United States—to supply the best possible factual basis for understanding farm problems. As for the Pacific Northwest I would be very glad to talk to you sometime about some of the things we are specifically doing. We have in cooperation with the wheat growers and their organizations tried during the last several years to develop a much better statistical base relating to Pacific Northwest wheat—which I think offers one of the most difficult and one of the most persistent and continuing surplus problems in the United States. We have tried as a result of various recommendations that come to us to start some work under title I of the Research and Marketing Act on problems dealing with conserving your wheatlands in the Pacific Northwest. So we are trying to get as good a factual basis as we can.

Now, what are we doing to solve them? The Bureau of Agricultural Economics is not a planning or policy agency. The planning and policy decisions I honestly think should be made other places. I have tried to make the Bureau of Agricultural Economics a service agency to work with the appropriate planning and policy groups.

I don't know whether that answers your question or not, but it is as far as I can go at the present time.

Mr. ANDERSON. You will recall that several years ago we discussed the proposed study of the spread between the producer and the consumer. Just how far have such studies progressed?

Mr. WELLS. Well, Mr. Anderson, we have as a regular activity of the Bureau of Agricultural Economics endeavored to measure the over-all spread between farm prices and retail food prices for a number of years and have, I think, developed a standardardized and rather widely accepted statistical series on that. However, to answer the kind of question you are most directly interested in in detail requires more than United States average data. An effort has been made to attack this problem under the Research and Marketing Act through "costs and margins" and "market improvement" studies. We have developed a great deal of detailed information as to the things which enter into these marketing costs and spreads. Now, costs, and you

are interested in how to reduce those costs. Again, I think to reduce them is partly a policy problem. In any event, it's a slow and difficult task.

Crop and Livestock Estimates

Mr. Whitten. Coming to "Crop and livestock estimates" at the bottom of page 49, how do you handle the crop and livestock estimates and what value if any is there to them?

Mr. Wells. Well, I would like to make a short statement and ask Mr. Newell, who is the assistant chief in charge, to add to it.

Mr. Chairman, we feel that the situation with which we are now faced is going to increase the demand on our crops and livestock estimating system, and it is also going to place additional stress on the question as to how good our estimates are. I am sure all of you understand we proceed through crop correspondents and sample information and not through censuses; we do not have the funds to do that.

(The following statement indicates the type of work performed under the item "Crop and livestock estimates," and examples of outstanding services performed:)

Under this appropriation the Bureau prepares and issues the official crop and livestock reports. The 41 field offices of the crop-reporting service are called upon to prepare more than 10,000 State reports a year which are combined into about 500 national or regional releases. These reports furnish current, National, and State information on acreage, yield, production, stocks, and prices received by farmers for more than 150 farm products. In addition to the regular program of reports, the Bureau also provides special statistical services or prepares special estimates needed in connection with the official programs or emergency actions. Some of the outstanding services of the past year are cited in the following examples:

1. An extensive wheat variety survey was made in all States early in the fiscal year, covering the wheat crop of 1949. This is a survey that is repeated at 5-year intervals in cooperation with the Bureau of Plant Industry, Soils, and Agricultural Engineering to determine the shifts occurring in planting of wheat varieties. Results are much in demand and widely used in encouraging the growing of varieties which have demonstrated their superiority under varying conditions.

2. Similar surveys of barley varieties, to assist in varietal improvement work, were made in four major producing States: Minnesota, North Dakota, South Dakota, and California. Interest centered particularly on how widely some of the newly developed varieties were being planted and the extent to which malting types were grown.

3. The program on production and stocks of seeds was expanded to cover more crops, particularly legumes, winter cover crops, and native grasses. Need for the information was brought about by the growing demand for seeds in Soil Conservation Service work throughout the country and in foreign countries. Information has been published for the first time on certain fescue, vetch, bent grass, rye grass seeds, and similar items of growing interest.

4. Information has been assembled on farm storage and off-farm storage capacity, which has been greatly needed in connection with the proper handling and storage of grain crops, particularly in emergency situations. In particular, studies have been made to devise a method of estimating farm-grain storage capacity.

5. The utilization of the pecan crop was shown for the first time in a report issued the past year covering the 1948 crop in the 10 principal producing States. The estimates of the quantity shelled, the quantity marketed in shell, and the quantity consumed in the growers' households were prepared for each State. These estimates were rexremely useful to pecan growers in the Southeastern States in connection with the 1949 pecan marketing agreement.

6. Work was completed and material published on the usual time of bloom and harvest of apples. The need for this information has been frequently urged as a desirable guide in the marketing of apples, similar to earlier reports issued on cherries and peaches. The report indicates the principal areas of apple production in each State and data are presented for 19 different apple varieties.

7. Further progress was made in the coordination and timing of monthly estimates of livestock slaughter and meat production. The time required for processing data on federally inspected slaughter was reduced and noninspected slaughter data were also expedited. These moves resulted in speeding up the report about a week.

8. Enumeration of prices of beef cattle has been further developed in 12 major States and the enumerative results used to improve the method of estimating monthly average prices received by farmers for beef cattle. Selected samples of commission firms, auction rings, packers, and other buyers have been canvassed each month to draw off data on the market prices of beef cattle by classes. These data are then combined into weighted-average prices to represent all cattle in the respective States.

9. Separate estimates of the prices received for milk for fresh market and for milk used primarily for manufacture are currently prepared in 29 States. Price data are obtained on milk used for cheese, for butter and creamery byproducts, and for canning and other uses. These are combined into an average price of all milk for manufacture, which is used in calculating a parity equivalent for manufacturing milk.

10. During this past fiscal year a thoroughgoing review of the parity index was completed to incorporate an allowance for cash wages paid for hired farm labor and to shift the base period for the index of prices received in accordance with the parity legislation included in the Agricultural Act of 1948 and 1949. Parity prices for some 165 agricultural commodities were recomputed in accordance with this legislation and published in January and July.

The program for the current fiscal year provides for the acceleration of the quarterly reports on prices paid and improvement in the price-collecting program in 12 State offices covering 17 States. This expanded program, for which additional funds were provided in the 1950 Appropriation Act, will supply more complete and accurate information than has heretofore been available concerning prices farmers receive for commodities they sell and prices they pay for the goods and services they buy.

11. Illustrative of the contribution made in providing information to the public on important developments affecting farm products, there is furnished the committee a Calendar of Release Dates for reports issued in 1950 covering crops, livestock and livestock products, and prices. This compilation indicates the continuous and systematic schedule which must be met in performance of this service.

Distribution of Personnel

Mr. Whitten. How many full-time people do you contemplate for this work next year?

Miss Clark. Five hundred and ninety-one full-time people, and six hundred and forty-two all told, including the part-time.

Mr. Whitten. Where are those people located? How many in Washington and how many in the field?

Miss Clark. In Washington there are 206 and in the field 436.

Mr. Whitten. Do you have those in a few large offices at various places, or do you have small offices scattered around?

Mr. Wells. No, Mr. Chairman, our crop-estimates system operates chiefly through 41 field offices, usually 1 to a State. However, in New England six States are handled in Boston; Delaware and Maryland are together; and one office at Salt Lake serves Utah and Nevada. Our field operations are decentralized. Material comes from the State statistical offices to the Crop Reporting Board in Washington where it is put together to make national and regional estimates.

Preparation of Crop Reports

Mr. Whitten. Now describe briefly for us how you go about arriving at these things. I ask this so that we may have in the record the basis on which you arrive at your conclusions so that

thereby the public and others can judge as to their fairness and accuracy.

Mr. WELLS. Mr. Newell?

Mr. NEWELL. Mr. Whitten, our service, as you know, is a cooperative reporting service. The core of our service is built around a half million volunteer repoter farmers and others who report to us once a month on the condition of crops in their locality, the acreage and so on, whatever may be asked at any particular time. These reporters send their report to the State office for the State in which they are located—that is the reporters in your State will report to the Mississippi State office where the material is tabulated, summarized, and analyzed and submitted to the Crop Reporting Board in Washington. The Crop Reporting Board is set up under a national law and consists of a group of specialists including a specified number of field statisticians who have had an opportunity to actually observe crop conditions in the field during the period. They meet and again go over the various State reports behind locked doors—as you probably know, the law requires us to operate in secrecy—where the reports are again analyzed and the information from the 41 offices throughout the country brought together and put out as the national crop report that you see. This system is guarded carefully, because the information is of very great importance to the country as a whole; Congress provided that these precautions be taken in order to assure the public that everybody will receive the information at the same time and have equal opportunity to use it.

That very briefly is the general system we follow in preparing the reports.

Mr. WHITTEN. During wartime are you ever called on to get up special reports over and above the ones you normally take in?

Mr. NEWELL. Yes, Mr. Whitten, we are called on for a tremendous amount of additional information from all agencies. Now in particular the pressure is building up similar to the way it did during the past war. We are beginning to get requests for much additional information and special survey information. One of the things that we have been particularly pressured on is detailed information by small producing areas in a large number of cases because of a particular condition that might exist in that area. This always puts an additional strain on our organization. Sometimes we can meet it and sometimes we can't. But the demand is already building up.

Mr. WHITTEN. Are your reporters paid anything for sending this information in?

Mr. NEWELL. No, sir; they are absolutely voluntary. That has been the history of this organization for 88 years of continuous operation. The reporters are public-spirited people who report voluntarily. The only compensation you might say they get is a monthly copy of the Agricultural Situation.

Mr. WHITTEN. If you are called upon by other folks for additional information the only extra expense that you have is the preparation of the questionnaire and the tabulation—I mean it is an administrative job, provided your people have sufficient time in which to do the work; is that right?

Mr. NEWELL. That's right. It is an additional expense of course because if you will notice from the record here the work schedule is pretty well filled up. But we do have to prepare additional ques-

tionnaires, mail them out, get them back, and tabulate them and put out the report. Frequently, too, the mail system is not adequate and in such cases has to be supplemented by travel, telephone, or telegraph. Uusually the technical job on these special things is more difficult and more time consuming than those that are regularly scheduled.

Mr. WHITTEN. I realize it is more practical, but as long as you folks can do it it isn't necessarily an extra expenditure?

Mr. NEWELL. As long as they can do it.

Mr. WHITTEN. Do any of these agencies make any offer to meet the cost of any of this extra work?

Mr. NEWELL. Yes, sir; they do in a number of cases. We have made special country estimates for the crop insurance, for example. That is quite a heavy additional load, and the crop-insurance people have realized that our organization can do the job more economically and have paid us for it. We are frequently called on for additional information between regular crop-reporting periods, particularly when crop conditions are changing rapidly. The feeling is that we should make a special survey. Unfortunately we haven't been able to do that in very many cases. There are cases where an agency particularly interested in some interim report has put up the funds necessary to cover the travel cost, temporary clerical hire, and things of that sort required to get the work done. We are continually pressured for that sort of work.

Mr. WHITTEN. Will the war situation cut out the necessity for some of the things you have already been doing or will it add still further demands for your crops and livestock work?

Mr. NEWELL. Mr. Whitten, frankly I can't see any way except that it will add to the burden. We have been through the war period just recently, and that was certainly the record that we had then. And I don't see that there is any major report that we are making that we can safely cut out at this time. The fact of the matter is the pressure is just the other way around.

Mr. WHITTEN. I readily see some of the things that you have pointed out; and, of course, that is the reason the questions were asked. On the other hand, we have this problem in connection with the other expenditures under Research and Marketing Act. And, if you eliminate some of those studies that should not be made during an abnormal period, you can always find a commodity committee and others that have other places to spend the money. The problem is to determine how much money to make available for the needed work and eliminate the rest.

Mr. WELLS. Partly it is a question of how much flexibility you allow us within the estimates to tackle some of the problems which have to be considered.

Mr. HORAN. I remember Mr. Wells responding very well to a question put to him by Mr. Dirksen when he was chairman of the subcommittee. If this committee were to cut not only your appropriations but other ones, where would you, if given the leeway, place the emphasis of elimination?

Mr. WELLS. Well, I have to say very frankly I would do it in the research field, Mr. Horan. I am a research man myself and I hate to say that. But I do feel that as to the basic statistical materials—

I think they are just absolutely essential. And, if we don't do it, then somebody is going to, I think at a greater cost.

Mr. HORAN. There is no question about that, and I am not being facetious at all about this. I don't know how about other States, but in the State of Washington our State and local taxes are enormous and are rising farther because we are a growing State. We have lots to build and things to go along with, like additional irrigation projects, the basis work which your department has done, and we are getting to the place where the place where the patience of the taxpayer is going to be a factor in our political thinking. And, of course, that puts an additional burden on those of us who have to try to balance this thing. So, I just wondered where we might expect to apply any cuts that might be forthcoming.

That is all, Mr. Chairman.

FUNDS HANDLED FROM RMA AND OTHER SOURCES

Mr. WHITTEN. I would like to insert at this point in the record pages 53, 54, 55, and 56, which show other funds that are handled through your Bureau from the Research and Marketing Act and from other sources.

(The material referred to is as follows:)

Statement of obligations under allotments, working funds, and trust funds

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Research and Marketing Act of 1946 (title II), Department of Agriculture (Bureau of Agricultural Economics): Marketing research and service	$1,313,334	$1,225,000	$1,144,500
Flood control, Department of Agriculture (Bureau of Agricultural Economics): Research on economic aspects of flood control	21,132	30,000	27,000
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Department of Agriculture (Bureau of Agricultural Economics): For statistical services in connection with wheat acreage allotments and marketing quotas	40,261	22,000	----------
Working fund, Agriculture, Bureau of Agricultural Economics (general account):			
Advanced from—			
Department of Agriculture:			
Studying family expenditures in selected counties in Montana (Bureau of Human Nutrition and Home Economics)	730	328	----------
Participating in a wheat variety survey in wheat-producing States (Bureau of Plant Industry, Soils, and Agricultural Engineering)	2,500	----------	----------
Furnishing cost-of-production data for various crops insured by the Federal Crop Insurance Corporation (Federal Crop Insurance Corporation)	81,164	118,836	----------
Total, Department of Agriculture	84,394	119,164	----------
Bureau of the Census:			
Checking and correcting the information for lists of large farms furnished by the Bureau of the Census	18,150	----------	----------
Collecting basic data on prices received by farmers for specified crops and livestock products, and inventory values of specified livestock for use in connection with the 1950 census	56,285	40,270	----------
Total, Bureau of the Census	74,435	40,270	----------
Bureau of Labor Statistics: Preparing the agricultural segment of the interindustry study	4,906	----------	----------
Federal Security Agency: For conducting a consumer survey	----------	5,500	----------
Total, general working fund	163,735	164,934	----------

Statement of obligations under allotments, working funds, and trust funds—Con.

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Working fund, Agriculture, general (Bureau of Agricultural Economics):			
Advanced from—			
Department of Defense, Department of the Army:			
Training Japanese agricultural leaders		$100	
Training German nationals in agricultural economics	$277		
To cover the cost of providing data in connection with a comprehensive survey of the Arkansas-White-Red River Basin		[1] 14,000	
Department of State: Training German leaders in the field of agriculture under the reorientation program	886	14	
Department of the Interior: Development of an evaluation of the agricultural repayment feasibility of the Weber Basin reclamation project, Utah		5,800	
National Security Resources Board: Conducting an apparel wool survey		1,750	
Total, working fund, Agriculture, general	1,163	21,664	
Working fund, Agriculture, Bureau of Agricultural Economics, advanced from Commodity Credit Corporation (trust account):			
Collection of price and supply data on legume and grass seeds	1,413	37,587	
Collection of data on rice, beans, and peas	21,794	29,706	
Total, trust working funds	23,207	67,293	
Miscellaneous contributed funds, Department of Agriculture (Bureau of Agricultural Economics):			
Deposited by—			
Fruit industry: Cooperative research with various contributors on marketing of fruits and fruit products	28,975	47,170	
Iowa State College: Cooperative work on research and statistical methodology	941		
National Bureau of Economic Research: Cooperative study of agricultural financing	008	8,313	
University of Michigan: Cooperative work with the University of Michigan, to develop improved methods of gathering statistical information	42		
University of Virginia: Cooperative work with the University of Virginia on factors associated with cotton yield variability	375	400	
Total, miscellaneous contributed funds	30,941	55,883	
Expenses, international development, Executive Office of the President (allotment to Agriculture) (Bureau of Agricultural Economics): Participation in the program of cooperation with the American Republics	44,390	[1] 20,400	
Expenses of defense production, Executive Office of the President (allotment to Agriculture) (Bureau of Agricultural Economics): For carrying out the provisions of the Defense Production Act of 1950		[1] 25,000	
Foreign assistance, Executive Office of the President (allotment to Agriculture) (Bureau of Agricultural Economics): For carrying out the provisions of sec. 112 of the Foreign Assistance Act of 1948		3,500	
Expenses, Economic Cooperation Administration, Executive Office of the President (allotment to Agriculture) (Bureau of Agricultural Economics): For expenses incident to the foreign trainee program		5,100	
Total, obligations under allotments, working funds, and trust funds	1,638,163	1,640,774	$1,171,500

[1] Allotment as of Dec. 31, 1950.

MARKETING RESEARCH AND SERVICE

Mr. WHITTEN. Briefly, what are you doing under the $1,225,000? Who selected those projects and how do you handle them? The estimate for 1952 of $1,144,500.

Mr. WELLS. Those projects, Mr. Chairman, are under title II of the Research and Marketing Act. The projects are selected primarily

on the basis of the recommendation of the commodity advisory committees working with the Administrator of the Research and Marketing Act, the Agricultural Research Administrator.

Mr. WHITTEN. How much of that $1,144,500 will be used to carry forward projects that have already started and how much for new projects?

Mr. WELLS. It's my understanding that there are no completely new fields of work.

Is that correct?

Miss CLARK. Yes.

Mr. WHITTEN. Have you given any consideration as to whether you should curtail any of these research projects until the situation becomes more normal?

Mr. WELLS. Mr. Trelogan, who is here from Dr. Cardon's office, can answer that. The research and advisory committees are being asked each of these projects and whether the work should be continued.

Mr. WHITTEN. We need to carry on whatever is absolutely essential, but on whatever isn't we need to save the money. That is really what we are up against, and there is a whole lot of difference in telling a man, "We have got so much money to spend," rather than just saying, "What do you have to have?"

Mr. WELLS. I think the answer is the committees are being asked, "Is this worth while?"

Mr. Trelogan?

Mr. TRELOGAN. First, I would like to say, Mr. Chairman, we have never approached anybody and said we have so much money to spend; we have asked them what the problems are.

Mr. WHITTEN. I wouldn't argue that you and Dr. Cardon let anyone know the amounts. I am merely trying to point out that we have not only to find out whether the money is spent for the best project but whether it is spent on the absolutely essential project.

Mr. TRELOGAN. We will approach it from two different phases. One is through the agency themselves and one through the committees. We are asking each agency to examine each project, and we are checking those examinations. And Dr. Cardon will be willing to report at greater length tomorrow. We will go back to the committee and tell them what the general ideas are and ask them what their ideas are as to the importance of this.

Mr. WHITTEN. That is very good. I am sorry it had to come up in reverse order here, but we were very anxious to have Mr. Wells appear first. So, we appreciate your filling in here. And, of course, when we get Dr. Cardon, we will have the general discussion.

Mr. WELLS. This material is included in his estimates in the budget for title II, Research and Marketing Act.

But let me point out one or two of the problems. When the Research and Marketing Act was under consideration we took some of our regular funds and made a study of cotton consumer preferences for certain clothing items which was well received by the cotton trade and farm people. And there was a feeling that we should try to repeat part of that study every 5 years. That fifth year comes up this fall. So one of the problems that we have got to consider is as to whether and in what way we should continue consumer preference work.

Another project we have is in the field of costs and margins. We have recently lost to defense agencies either five or six or our professional people that were doing costs and margins research. Shall we try to replace those people or consolidate and revise our costs and margins work?

Those are the two extremes of the type of thing we are going to have to consider.

Mr. WHITTEN. Nobody wants the job we have here. But it is our job and we appreciate all the help you can give us to determine what is fair, taking into consideration the prime importance of agriculture at this time and also the national situation.

We thank you very much, Mr. Wells. That will be all.

TUESDAY, FEBRUARY 13, 1951.

AGRICULTURAL RESEARCH ADMINISTRATION

RESEARCH AND MARKETING ACT

WITNESSES

DR. P. V. CARDON, RESEARCH ADMINISTRATOR
DR. B. T. SHAW, DEPUTY ADMINISTRATOR
DR. O. W. HERRMANN, ASSISTANT ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION
F. H. SPENCER, ASSISTANT ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION
DR. H. C. TRELOGAN, IN CHARGE, TITLE II, RESEARCH AND MARKETING ACT
C. A. LOGAN, SUPERINTENDENT, AGRICULTURAL RESEARCH CENTER
E. L. STRUTTMANN, BUDGETARY AND FISCAL OFFICER, AGRICULTURAL RESEARCH ADMINISTRATION
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$19,000,000	$6,000,000	$5,500,000
Unobligated balance, estimated savings	−283,583		
Savings under sec. 1214		68,000	
Obligations incurred	18,716,417	5,932,000	5,500,000
Comparative transfer to—			
"Salaries and expenses, Bureau of Agricultural Economics"	−552,208		
"Salaries and expenses, Office of Administrator, Agricultural Research Administration"	−204,347		
"Payments to States, Hawaii, Alaska, and Puerto Rico, experiment stations, Agricultural Research Administration"	−4,984,636		
"Salaries and expenses, experiment stations, Agricultural Research Administration"	−24,200		
"Salaries and expenses, human nutrition and home economics, Agricultural Research Administration"	−837,528		

Funds available for obligation—Continued

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS—Continued			
Comparative transfer to—Continued			
"Salaries and expenses, animal industry, Agricultural Research Administration"	−$774,094		
"Salaries and expenses, dairy industry, Agricultural Research Administration"	−467,087		
"Salaries and expenses, agricultural and industrial chemistry, Agricultural Research Administration"	−2,563,971		
"Salaries and expenses, plant industry, soils, and agricultural engineering, Agricultural Research Administration"	−1,454,162		
"Salaries and expenses, entomology and plant quarantine, Agricultural Research Administration"	−476,572		
"Salaries and expenses, Forest Service"	−254,677		
"Salaries and expenses, Soil Conservation Service"	−96,521		
"Salaries and expenses, Marketing Services"	−65,164		
"Salaries and expenses, Farm Credit Administration, Department of Agriculture"	−29,960		
"Salaries and expenses, Office of the Secretary of Agriculture"	−8,094		
"Salaries and expenses, Office of the Solicitor, Department of Agriculture"	−3,089		
"Salaries and expenses, Office of Information, Department of Agriculture"	−7,511		
Total direct obligations	5,912,596	$5,932,000	$5,500,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	31,952		
Comparative transfer to—			
"Salaries and expenses, Bureau of Agricultural Economics"	−86		
"Salaries and expenses, animal industry, Agricultural Research Administration"	−1,203		
"Salaries and expenses, plant industry, soils, and agricultural engineering, Agricultural Research Administration"	−4,133		
Total reimbursable obligations	26,530		
Total obligations	5,939,126	5,932,000	5,500,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Basic data and information on supplies, movements, and prices	$694,646	$641,900	$578,400
2. Expansion of outlets for farm products	1,250,197	1,277,500	1,057,300
3. Measurement and analysis of marketing services, costs, and margins	646,431	662,900	696,400
4. Improvement in the grading, handling, packaging, transportation, storing, and merchandising	1,620,690	1,624,800	1,470,300
5. Evaluation and improvement of marketing facilities, methods, policies, and organization and pricing practices	1,565,672	1,558,900	1,531,600
6. Over-all administration	134,960	106,000	166,000
Total direct obligations	5,912,596	5,932,000	5,500,000
REIMBURSABLE OBLIGATIONS			
1. Basic data and information on supplies, movements, and prices	1,023		
2. Expansion of outlets for farm products	3,219		
3. Measurement and analysis of marketing services, costs, and margins	799		
4. Improvement in the grading, handling, packaging, transportation, storing, and merchandising	20,180		
5. Evaluation and improvement of marketing facilities, methods, policies, and organization and pricing practices	1,309		
Total reimbursable obligations	26,530		
Total obligations	5,939,126	5,932,000	5,500,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	674	655	617
Full-time equivalent of all other positions	53	51	46
Average number of all employees	685	673	618
Personal service obligations:			
Permanent positions	$2,869,662	$2,889,197	$2,682,571
Part-time and temporary positions	139,105	128,446	119,592
Regular pay in excess of 52-week base	10,564		10,626
Payment above basic rates	4,387	9,070	5,700
Payments to other agencies for reimbursable details	8,000	1,500	5,000
Total personal service obligations	3,031,718	3,028,213	2,823,489
DIRECT OBLIGATIONS			
01 Personal services	3,007,788	3,028,213	2,823,489
02 Travel:			
Advisory committees	20,016	22,000	22,000
Agency personnel	376,483	338,310	310,310
03 Transportation of things	8,719	6,480	6,480
04 Communication services	24,216	26,620	24,070
05 Rents and utility services	24,188	27,450	28,150
06 Printing and reproduction	76,968	106,500	88,500
07 Other contractual services	2,152,079	2,198,133	2,027,907
Services performed by other agencies	68,686	62,550	60,565
08 Supplies and materials	77,485	73,024	66,029
09 Equipment	60,741	39,520	36,100
10 Lands and structures	15,227		
15 Taxes and assessments		3,200	6,400
Total direct obligations	5,912,596	5,932,000	5,500,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	23,930		
02 Travel	2,330		
04 Communication services	210		
06 Printing and reproduction	40		
09 Equipment	20		
Total reimbursable obligations	26,530		
Total obligations	5,939,126	5,932,000	5,500,000

Mr. WHITTEN. Dr. Cardon, we are very glad to have you with us today. Before proceeding with your general statement I would like to insert pages 1, 2, and 3 of the justifications in the record.

(The statements referred to follow:)

RESEARCH AND MARKETING ACT OF 1946 (TITLE II)

PURPOSE STATEMENT

Appropriations made pursuant to title II of the Research and Marketing Act of 1946 provide for expansion of marketing research, service, and education activities in which the Department of Agriculture, the State Agricultural experiment stations, the cooperative State agricultural extension services, the State departments of agriculture and bureaus of markets, and other public and private agencies are cooperating in solving problems relating to the distribution and marketing of agricultural products. Such funds are allotted directly to agencies of the department for specified projects, or to State agencies on a matching-fund basis for carrying on projects under cooperative agreements, and are used under contract or cooperative agreement with public or private agencies, institutions, organizations, or individuals.

In accordance with title III of the act, the Secretary has established a national advisory committee of 11 members, 6 of who represent producers or their organizations, to consult with the Secretary and other appropriate officials of the Department concerning research and service work authorized by the act, and to assist in obtaining the cooperation of producers, farm organizations, industry groups, and Federal and State agencies. This title also provides for the establishment, by the Secretary, of appropriate committees including representatives of

producers, industry, government, and science, to assist in effectuating specific research and service programs. Committees have been established under this authority to advise the Department on the principal agricultural commodities and in functional or cross-commodity areas such as cold storage, foreign trade, and transportation.

This appropriation is administered by the Agricultural Research Administrator.

Appropriated funds:	
Estimated, 1951	$5,932,000
Budget estimate, 1952	5,500,000
Appropriation act, 1951	6,000,000
Reduction pursuant to sec. 1214	−68,000
Base for 1952	5,932,000
Budget estimate, 1952	5,500,000
Decrease	−432,000

SUMMARY OF DECREASES, 1952

Net decrease in the program of marketing research, service and educational work carried out under title II of the Research and Marketing Act	−430,500
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation	−1,500

Project statement

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
1. Basic data and information on supplies, movements, and prices	$694,646	$641,900		−$63,500	$578,400
2. Expansion of outlets for farm products	1,250,197	1,277,500	−$300	−219,900	1,057,300
3. Measurement and analysis of marketing services, costs, and margins	646,431	662,900	−200	+33,700	696,400
4. Improvement in the grading, handling, packaging, transportation, storing, and merchandising	1,620,690	1,624,800	−600	−153,900	1,470,300
5. Evaluation and improvement of marketing facilities, methods, policies, and organization and pricing practices	1,565,672	1,558,900	−400	−26,900	1,531,600
6. Over-all administration	134,960	166,000			166,000
Unobligated balance	87,404				
Total available	6,000,000	5,932,000	−1,500	−430,500	5,500,000
Transferred in 1951 act to related appropriations of bureaus and agencies for activities under title I of the Research and Marketing Act (includes unobligated balances)	+13,000,000				
Reduction pursuant to sec. 1214		+68,000			
Total appropriation or estimate	19,000,000	6,000,000			

General Statement

Mr. Whitten. We will be glad to have your general statement, Dr. Cardon.

Dr. Cardon. Thank you, Mr. Chairman and members of the committee.

Since we last met with this committee a year ago, we have participated in meetings of all of the twenty-odd commodity and functional advisory committees set up under the Research and Marketing Act of 1946. A half dozen of them this fall have met for a second time, others are scheduled for early dates. We have met quarterly with the

Agricultural Research Policy Committee. Last June we had a joint meeting of the Policy Committee and the chairmen of all advisory committees. In addition, we have worked with reviewing representatives of your committee and with the study group appointed by the special subcommittee of the House Committee on Agriculture to review the Federal agricultural research program. We have prepared, at the request of that subcommittee, an exhaustive review of our research, constituting a mimeographed document of 3,200 pages.

These activities, coupled with considerable internal self-analysis and another full year's experience of administering the agricultural research program, bring into focus at this critical time six topics which I propose to discuss under the following headings:

1. Adjustment to emergency requirements
2. Clarification of major objectives of the research program
3. Improvement of advisory committee relations
4. Strengthening of relations with State agencies and with other Federal departments
5. Extension of the use of contracting authority
6. More effective telling of the results of research and service work.

1. ADJUSTMENT TO EMERGENCY REQUIREMENTS

Adjustment of our activities to meet the requirements of the emergency situation is a first order of business.

I participated in some adjustments that were necessary during World War I. I participated on a much wider base during World War II. Last August, sensing the prospect of a need for an other adjustment, I directed our bureaus to review their activities in the last war, consider plans for force alinement again to perform similar and additional activities, and to prepare to utilize to the best possible advantage the competency of men whose experience in those critical years might make them particularly useful in another emergency.

Subsequently, to some extent in September but more fully in December, the probable need for adjustment was discussed with the Agricultural Research Policy Committee. It has been discussed also with those advisory committees that have met in recent months. We shall continue to seek committee advice and guidance with respect to adjustments.

Most of the advisory committees will be meeting between now and April. At these meetings we shall be prepared to discuss our programs in detail and seek advice on the more specific adjustments that appear then to be advisable.

Before holding the series of advisory committee meetings for next fiscal year, we are planning to call a joint meeting of the Agricultural Research Policy Committee and the chairmen of all advisory committees. At this meeting we expect that the Policy Committee and the committee chairmen will appraise the earlier work of advisory committees in the light of current and prospective emergency requirements.

Recently, I took two further steps: (1) Appointment of an experienced special assistant to spearhead and expedite our activities in relation to defense programs—that person I might note was Mr. Rohwer, whose sudden death last evening has thus left us all in a rather difficult situation.

Mr. WHITTEN. We all regret very much his untimely passing. I know his work has been invaluable.

Dr. CARDON. His experience during the last war made him highly qualified for similar activities during the present time. That is the reason why I brought him into my office. It is going to handicap us greatly to find someone who can do that work.

Mr. ANDERSEN. I would like to say, Mr. Chairman, that it was a shock to me this morning to note in the press the passing of Mr. Rohwer. I am sure we all regret that happening.

Dr. CARDON. The second step which I have taken is the appointment of a program and policy board, composed of my top staff (bureau chiefs and assistant administrators) to meet frequently in special sessions to review our research program and recommend adjustments and staff assignments.

In making program adjustments, we shall have to curtail, suspend, or discontinue work of less urgent character. In doing so, we shall strive to preserve the soundest possible organization of forces and keep it alert and mobile. We shall try also to make available from the unfinished as well as the finished work as much useful information as possible.

On the basis of what was required of research personnel in World War II, I expect that we shall have to concentrate on extraordinary measures to protect agricultural production against disease and insect hazards; protection of stored food and feed against infestation; full participation in educational and action programs to insure early and best use of available research information; development of such additional techniques, products, and processes as may be indicated; and provide direct assistance to military, health and other agencies in furthering national security.

In extreme circumstances—circumstances beyond the home-front experience of World War II—we would have to respond quickly to potential disaster resulting from sabotage or types of warfare not yet loosed.

We should be and we believe we shall be ready to rise to presently visualized need. But to rise, even if ready, will require flexibility in the use of funds and manpower, consistent with the job to be done.

We have great competency in many fields of science—technical training enriched by years of experience and ever-increasing knowledge. We urge that under whatever limitations we may have to work, we be permitted to retain, mobilize, and fully utilize the competency of our forces where that competency can contribute most to national security.

Since the foregoing statement was prepared, I have received from the Office of Experiment Stations a summary of communications from 33 State agricultural experiment stations reflecting current thinking on research program adjustments in relation to the national emergency. From this summary I obtain confirmation of the belief I have entertained since the beginning of the emergency situation: The State agricultural experiment stations, like the Federal research bureaus and agencies, are advancing plans and making preparations to adjust research programs, involving the use of personnel and facilities, in order to be as effective as possible in supporting national security.

2. CLARIFICATION OF MAJOR OBJECTIVES OF THE RESEARCH PROGRAM

One of our principal activities of the past year has aimed at overcoming the difficulty encountered by this committee, by the Policy Committee, and by the study group in considering the diversity and multiplicity of research projects in the absence of clear and concise summaries setting forth broad program objectives. This difficulty, not yet fully resolved, has entailed the expenditure of much energy both inside and outside the Department.

Accordingly, at one of its earliest meetings, the Agricultural Research Policy Committee recommended that the Department establish an inventory of all its research projects financed by Federal and State Governments and asked that agricultural research financed with private funds be included insofar as the information is available. The Policy Committee also recommended that this running inventory be currently analyzed and the work so classified that it would be easier to grasp the major agricultural problems on which research was being performed and the extent of such work.

These recommendations have been carried out as rapidly as possible. We have consolidated the information on our total program, and I would like to present at this time an analysis that blends the related work of the Department without reference to the individual agencies doing the work or to the particular sources of supporting funds. This analysis is possible as a result of the centralized project system and is aimed at helping us and all other groups concerned with the agricultural research program.

I hasten to emphasize that this information is preliminary and subject to change and refinement as the analysis progresses. We are reviewing it with our commodity and functional committees so that they may better see the total program and be better equipped to advise us of their problems and aid us in making the over-all program serve the greatest public need.

The analysis is also expected to serve as guide in exploring every possibility of keeping research properly aligned with changing conditions and needs of educational, regulatory, service, and action programs. Thus we feel there is a very significant and important job to be done in this general area of clarifying our basic program objectives and expending more of our time and energy in the solution of major problems rather than in undue administrative discussions concerning the details of individual projects, which in themselves represent only small fragments of the whole.

Explanation of Charts

Mr. Chairman, at this point I respectfully request consideration of a suggestion on procedure.

On the assumption that the committee may wish to insert in the record one or more of the charts I am about to present, I have taken pains to prepare a descriptive statement which is designed to promote understanding of the charts.

My suggestion is that I be permitted to proceed with this prepared description without interruption. I should then be prepared to present to the committee photostat copies of the charts, supplemented with a financial summary keyed to the major segments of the charts.

Thereupon, of course, I should welcome such discussion as the committee may desire.

Mr. WHITTEN. We will be glad to have you proceed as you like, Doctor.

Dr. CARDON. Turning now to the charts before you, I call attention to figure 1. This large cube represents the money being invested in agricultural research in the Department during the current fiscal year (1951). It does not include Federal-grant funds made available to the States for research, but it does include the relatively small amounts of research money allotted to the department from outside sources.

The cube represents the situation as of this fiscal year. It reflects what our program is—not necessarily as it might have been had we been building a program in the light of present understanding. It is the resultant of what has gone before. It is therefore, a portrayal of what has been; it is the basis for considering what better balance might be attainable.

Each of the principal layers of the cube and each subdivision of each layer is drawn in proportion to its share of the total dollars being spent for research. If we first examine the left face of the cube in figure 1, we get an idea of the seven major fields of research under way. Five of these fields—soils, plant production, animal production, and the economic and engineering aspects of the farm and home—are essentially concerned with farm production. One field is concerned with research on marketing, and the remaining field is concerned with utilization of agricultural products.

On the right-hand face of the cube, the principal kinds of research within each broad field are indicated. Starting at the bottom with soils, we find the work divided into three segments of nearly equal proportions. The first of these—research on soils management and improvement—is basic to a permanent agriculture, whether the farms are located in humid, dry-land, or irrigated areas. The second segment covers soil surveys, which classify soils according to similarities and differences, thus laying the foundation for developing sound systems of management. The third segment of soils research is the important one concerned with soil and water conservation and erosion control under all conditions of soil and climate.

The next broad field, research on plant production, is similarly divided into three large segments, dealing, respectively, with field crops, horticultural crops, and with both private and public forests and ranges. The wide diversity of crops of commercial importance, produced under conditions varying from arctic to tropic and from humid to semiarid, probably explains why the plant production segment of the cube represents the largest single field in the Department's research program.

The work on dairy cattle, as shown on the right-hand face of figure 1, receives greatest attention in the Department's current program of animal production research. This is followed in descending order by work on poultry, beef cattle, sheep, and swine. The work on dual-purpose cattle, horses and mules, and fur-bearing animals is all grouped in the part of this panel labeled "Other."

Economics and engineering, two of the smaller but nonetheless important fields of research, are shown in another, single layer of the cube in figure 1. The economic problems of production facing every farmer in the task of organizing and operating a stable farming enter-

prise are of perplexing magnitude. Research in this field tests the many alternatives available to the farmer in new varieties, techniques, and practices to answer the simple question: Will it pay? But economic farm production is only part of the story. It is paralleled by research on the economic problems of the household—on budgeting and buying for the home, on levels of consumption, and on standards of living.

The field covered by engineering research, as shown on the right-hand face of figure 1, has been interpreted broadly to include both its farm and its home aspects. This research falls into three general categories: (1) Farm machinery and household equipment, (2) farm structures, including housing, and (3) farm and home electrification. A fourth engineering field, that concerned with the mechanical processing of farm products, is included in research on marketing and utilization.

Marketing research, particularly since passage of the Research and Marketing Act in 1946, has become an increasingly significant part of the Department's research program. It is shown as one of the more prominent fields in figure 1. It is broken down into five categories of work, listed in descending order of money input as (1) the preparation and handling of farm products, (2) improvement of the marketing system, (3) expanding outlets for farm products, (4) marketing channels, methods, and costs and margins, and (5) basic data and information.

Utilization research of the Department, the field shown at the top of figure 1, is concerned with crop, animals, and forest products. This work includes the finding of new uses for products yet to be marketed, as well as expanding and improving the utilization of many products already a familiar part of the marketing scene.

Each of the five broad fields that make up the production research of the Department may be examined in greater detail by means of the exploded diagrams used in figure 2. The broad layer of plant production, for example, consists primarily of research on production, breeding, disease, and quality investigations, distributed in varying degree among the principal horticultural and field crops and over forests and ranges. A part of the research program for each of these three broad groups of plants is the work on combating insect pests, one of the major hazards to production. Figure 3 is similar to figure 2, but pertains to the fields of marketing and utilization.

The chief value of these charts lies in helping us to visualize the broad lines of current research activity without becoming lost in the mass of administrative detail encountered in consideration of individual projects. In the belief that they may be helpful to others interested in our research program, we are using these charts as orientation for members of advisory committees.

This analysis has one very significant shortcoming. The neat compartments into which the research work of the Department has been segregated are far from watertight—in fact, they are permeated in all directions by many types of interrelationships. Research on human food and nutrition, for example, benefits from research in animal feeding and nutrition. This in turn is concerned with the feeds and forages on which research is undertaken as a part of crop production, which rests back on research in soils. It is difficult to

indicate these interrelationships graphically, but those who administer research must be aware of them to maintain a cohesive and well-coordinated program.

As indicated earlier, this analysis shows research relationships prevailing during the current fiscal year. It is one in a series of pictures needed to aid in measuring progress as our program of agricultural research is shaped to meet changing needs.

As suggested earlier, I am prepared now to present to the committee photostat copies of these charts, supplemented with a summary of the financial data upon the basis of which the charts were prepared. These data and key segments of the charts are essentially in the order which I have referred to them.

Mr. Chairman, if it were your desire to insert these in the record I recognize that charts 2 and 3 might not reproduce well. We have had new negatives made and I suggest the new negatives be utilized if desired.

Mr. WHITTEN. We will be glad to have them inserted in the record as you suggest. I think they will be very helpful, and we will leave it to you to make such substitutions as may be appropriate.

Mr. ANDERSEN. I would like to say, Mr. Chairman, that these charts are very interesting.

Mr. WHITTEN. They certainly give us a graphic picture of the broad field of agricultural research. When we realize that each title has its many parts it makes us realize how far reaching the work is.

(The charts referred to follow:)

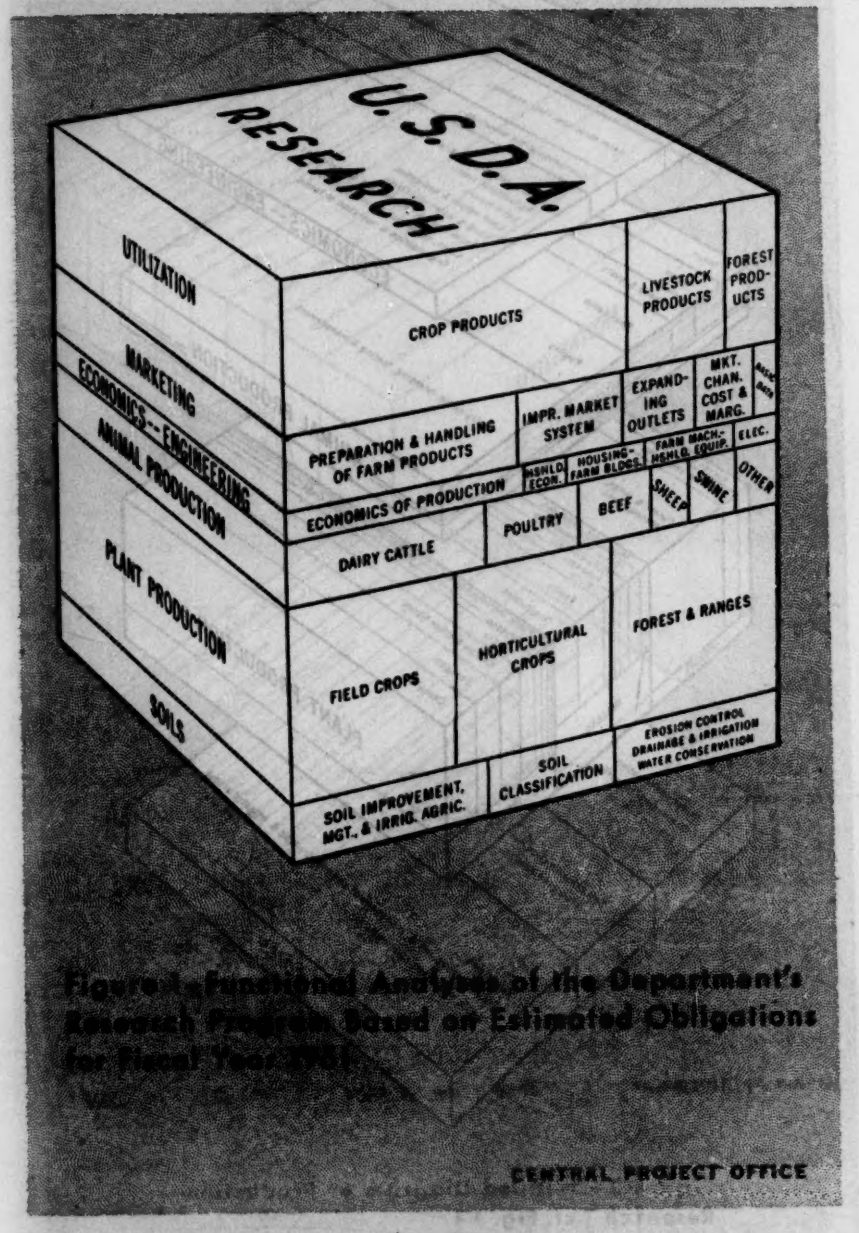


Figure 1.--Functional Analysis of the Department's Research Program Based on Estimated Obligations for Fiscal Year 1961

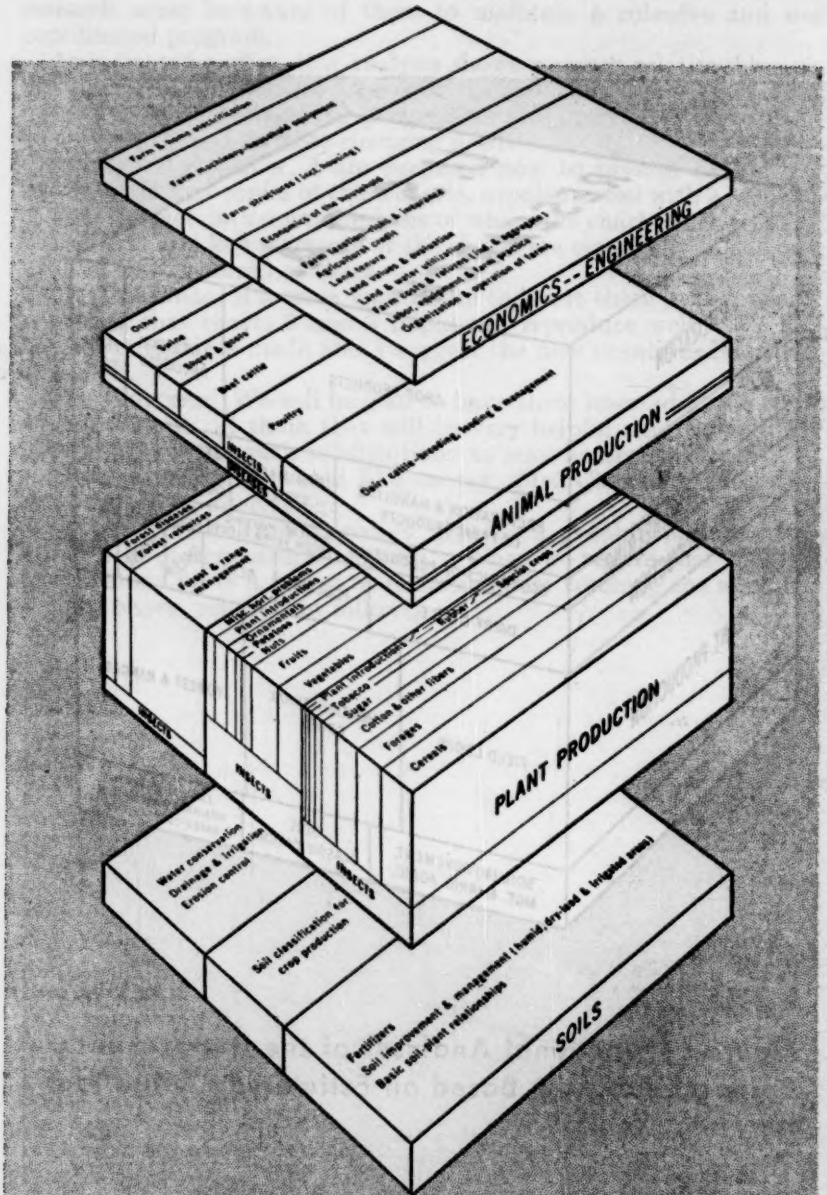


Figure 2—Detailed Diagram of Production Research (cf. Fig. 1)

CENTRAL PROJECT OFFICE

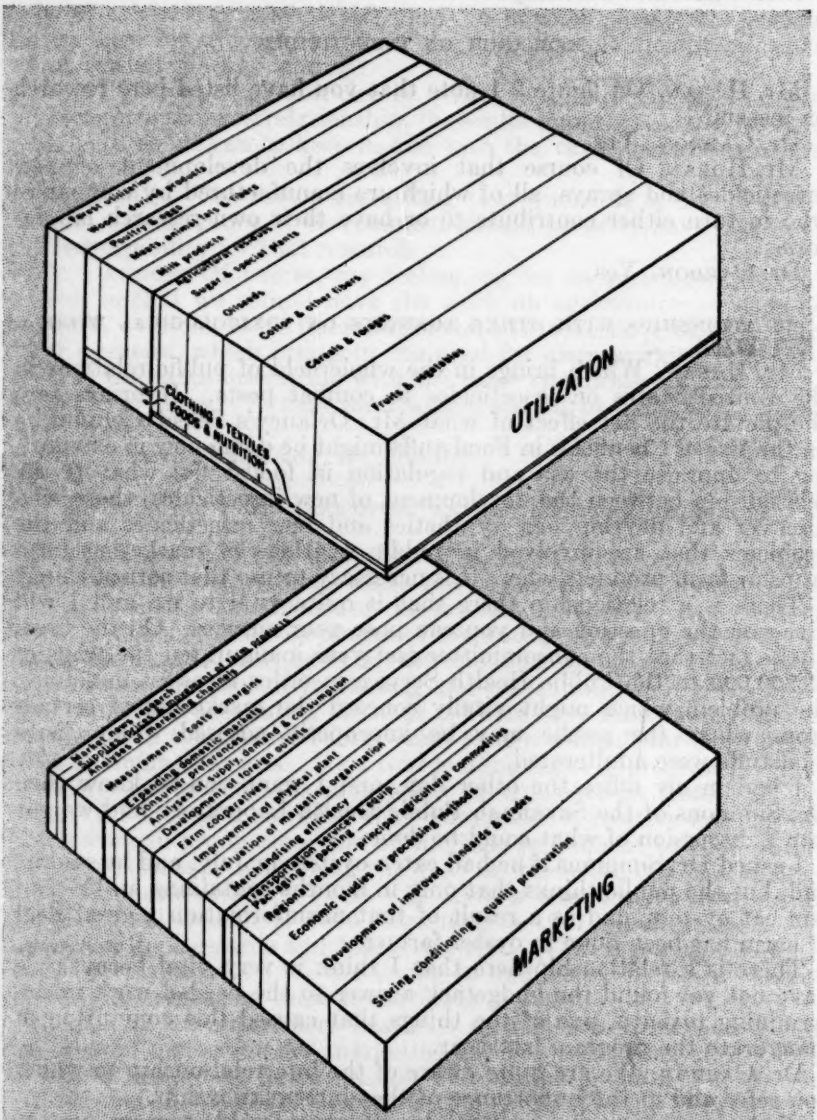


Figure 3–Detailed Diagram of Marketing and Utilization (cf. Fig. 1)

CENTRAL PROJECT OFFICE

Mr. HORAN. May I ask a question here?
Mr. WHITTEN. Certainly.

RESEARCH ON INSECTICIDES

Mr. HORAN. On figure 2 I note that you have listed here research on insects?
Dr. CARDON. Yes.
Mr. HORAN. Of course that involves the development of new insecticides and sprays, all of which are manufactured by companies who in turn either contribute to or have their own research laboratories?
Dr. CARDON. Yes.

RELATIONSHIPS WITH OTHER AGENCIES ON TOXICOLOGICAL WORK

Mr. HORAN. Which brings in the whole field of public relations in the United States on insecticides to combat pests. It brings into the picture the net effect of what Mr. Delaney's Select Committee on the Use of Chemicals in Foodstuffs might be doing now in attempting to appraise the use and regulation in foodstuffs; what is the relationship between the development of new insecticides, those who discover and develop new synthetics and new insecticides and the problems that are involved in public relations of marketing farm crops or farm products where it is necessary to use that sort of thing?

There is a relationship there that is quite vital to us, and I will give you the question and you can pose your answer. On the basis of the fact that the subcommittee last year inaugurated the transfer of $50,000 to the Public Health Service in order to assist in solving the problem which might vitally concern the marketing of certain crops where the public may be improperly advised where those foodstuffs were adulterated.

I had in my office the other day, and I want you to know this, Dr. Simmons of the Savannah Public Health Laboratory and we got into a discussion of what could be done.

I asked Dr. Simmons if he had eaten oysters in July, and he said he had, but the public thinks that only in months containing an "r" can you eat oysters, and as a result of that misinformation a great deal of harm has been done to oyster farmers.

There is a relationship here that I think is very vital because we have not yet found the budgetary answer to the needed work in determining toxicity, one of the things that caused this committee to inaugurate the program last year.

Dr. CARDON. We are quite aware of the interrelationship to which you refer and of the importance of that interrelationship.

We have attempted, and I think with considerable success, first to keep in closer liaison and working relations with Food and Drug, and Public Health insofar as governmental agencies are concerned; and also from the industrial standpoint with the representatives of industry in the agricultural chemical field. I myself have met with these different groups, and we were just developing a very close relation through Mr. Rohwer which we are hoping to continue, because we recognize that in the use of insecticides, on many crops, or for any

purpose, whether it is a fungicide or an herbicide, there are possible resultant effects that must be kept in mind from the standpoint not only of other vegetation which may be affected, and other insects which may be affected, but also the broad public-health relations which run all the way through.

So if I get your question clearly, what we are attempting to do is, (*a*) recognize the interrelationship, (*b*) see its importance, and (*c*) take such steps as we can to keep in line with the various interests in the broad problem.

Mr. HORAN. The reason for asking that question, is one of jurisdiction, which agency of Government should properly have charge of the responsibility for that research.

Dr. CARDON. Of course, my feeling, so far as agriculture is concerned, is that we should have the work on agriculture. I cannot, however, overlook these interrelationships that we have to have with other agencies, which brings in the need for close working relations, because the same insecticide with the same chemicals may be of importance to them. I think joint action should be expected to meet those problems.

Mr. HORAN. Thank you, Dr. Cardon.

DEVELOPMENT OF MARKETING AND UTILIZATION RESEARCH

Dr. CARDON. I might add, Mr. Chairman, with respect to this chart, that one of the things which has interested me in looking at it, first, is from the standpoint of the interest that we all have had in recent years in the development of marketing and utilization work. We have no adequate basis at the moment on which to measure advances in the field of marketing and utilization, since there have been changes in accounting methods. There have been also a number of changes in the general background, so it is difficult for us to bring out a comparative basis. As a trial measurement of progress in these fields we did look at the man-years of employment from 1937 to 1949. We find as a result of that comparison a relative leveling off of the work in production; and an increase subsequent to 1938 in the field of utilization, 1938 being the year in which the regional laboratories were established. There was, also, a comparative upswing in marketing subsequent to 1946, beginning in 1947, resulting from the passage of the Research and Marketing Act. That is not an adequate basis for comparison. We are trying to find a way in which we can see the relationship in these broad fields of activity.

It does appear that there has been an increase in marketing; on the basis of our estimates, marketing in 1946 was about $1,160,000; in 1951 it appears to be $5,591,000. On the basis of these figures, it appears that the percentage of marketing research in the Department, relative to the total research program, has increased from about 4.7 in 1946 to 12.4 in 1951.

The total amount of money represented by the block is approximately $45,000,000, which represents about 3.5 percent of the total appropriation to the Department in fiscal year 1951.

Mr. HORAN. That, of course, does not include payments to States?

Dr. CARDON. This does not include them.

On examination of the work in the States by a similar classification, it appears that they and we have about the same amount of work in soils. They are doing somewhat less in the field of engineering; we are about equally divided in the field of crop production; the States are doing about two-thirds of the work in animal industry. We are about equally divided in the field of insects, agricultural economy, and human nutrition, whereas the Department is carrying the major amount of work in the field of utilization.

Going back to my prepared statement, I would like to proceed to point 3 of the prepared statement, improvement of advisory committee relations.

3. IMPROVEMENT OF ADVISORY COMMITTEE RELATIONS

One of the questions raised by the chairmen of the advisory committees is how best to discover and fill gaps in the research program that are not now covered by advisory committees.

The Agricultural Research Policy Committee consists of the following members at the present time:

AGRICULTURAL RESEARCH POLICY COMMITTEE

Dr. John D. Black, professor of agricultural economics, Harvard University, 205 Littauer Center, Cambridge 38, Mass.
Mr. A. A. Brock, director, department of agriculture, State of California, State Office Building No. 1, Sacramento 14, Calif.
Dr. Robert R. Coker, vice president, Coker's Pedigreed Seed Co., Hartsville, S. C.
Dr. John H. Davis, executive secretary, National Council of Farmer Cooperatives, 744 Jackson Place NW., Washington 6, D. C.
Dr. C. G. King, scientific director, The Nutrition Foundation, Inc., Chrysler Building, New York 17, N. Y.
Mr. Albert K. Mitchell, Albert, N. Mex.
Mr. Herschel D. Newsom, Master, the National Grange, 744 Jackson Place NW., Washington 6, D. C.
Mr. James G. Patton, president, National Farmers Union, 1555 Sherman Street, Denver 5, Colo.
Mr. Harry J. Reed, dean and director, School of Agriculture, Purdue University, Lafayette, Ind.
Mrs. Raymond Sayre, president, the Associated Women of The American Farm Bureau Federation, Ackworth, Iowa.
Mr. Dean Stanley, president, Stanley Fruit Co., 626 Security Building, Phoenix, Ariz.
Executive secretary: Dr. Barnard Joy, Agricultural Research Administration, United States Department of Agriculture.

The policy committee at a recent meeting proposed that additional advisory committees be organized. Some of these would be needed for areas of work not now covered by committees, and others would be needed on a broad functional basis to handle problems that cross commodity lines. In 1950 we had two temporary committees, one on merchandising, the other on nutrition.

Another means of improving committee consideration has to do with bringing our research workers into closer contact with the committees. Research workers themselves should play a dominant role in originating new ideas. It is an administrative responsibility constantly to encourage imagination and originality in research work. Many problems are not apparent to the businessman or the farmer

until they are upon him. On the other hand the scientist, because of his training and experience, is much more likely to anticipate trouble and, frequently, have the answer ready when it is needed—and I might insert parenthetically "not always." We aim to bring closer together, in the developmental stages, the research workers and the advisory committees whose members are engaged in day-to-day operations from the farmer to the consumer. These two groups—the research workers and the advisory committees—will thus complement each other.

A means of strengthening this relationship would be to have the committees meet more often and longer than the present plan provides. The study group included in their report the following statement: "If these committees are to be as effective as the Congress and the Department hope, then they should meet at least twice a year." A few of the committees are scheduled to meet twice during the current fiscal year. Available funds, however, will not support fully the recommendation of the study group concerning semiannual meetings for all committees.

Still another way to insure continuing interest on the part of the committees in our work is to keep them informed on the extent to which their recommendations are carried out. Your committee will be interested in knowing that to date the committees have made a total of 750 recommendations for work under the Research and Marketing Act and that 521, or 69 percent of these recommendations have been undertaken in some form or to some degree. Ninety percent of all the Research and Marketing Act projects now in operation are in conformity with committee recommendations. The other 10 percent fall within provisions of the act, but are within fields not covered by any organized committees.

It is advisable here to stress the difference between a committee recommendation, which is frequently a brief generalized statement, and a budget estimate which must be specific in terms of money requirements. Before a recommendation can be put into effect, it must be converted into a budget estimate, and the required funds must be found.

The only means of fulfilling committee recommendations for new or extended work, without increased funds, is to curtail, modify, or terminate "going" research work. In many instances this has been done but not always in proportion to the scope of the recommendation.

To aid us and the committees in reviewing new problems and active work, we are endeavoring to develop for Department-wide application a formalized set of criteria that would provide a systematic means of appraising research problems. Because of the many and varied problems involved, development of such criteria is not an easy assignment, but we are making progress. We are being helped materially by consultation with industrial-research laboratories, for example, with the laboratories of Standard Oil, of General Electric, du Pont, Bell Telephone, and others. And, Mr. Chairman, for information of the committee, if you should like, but I would suggest not for the record, I have available copies of the correspondence from these various companies which have been very helpful to us.

Mr. WHITTEN. We will be glad to have them, and will follow your suggestion that they be left out of the record.

Dr. CARDON. Some very recent observations concerning advisory committees may be of interest at this time.

When these committees were created, under provision of the Research and Marketing Act of 1946, circumstances confronting American agriculture were quite different from those of today. At that time, also, the committees were making recommendations designed to fall within the provisions of the Research and Marketing Act, including the prospect of an expanding budget as authorized by that act. Subsequently, the committees were invited to consider the entire program of research and service work in the Department—not in the light of an expanding budget but a budget that was leveling off, including less than a third of the authorized amounts under the Research and Marketing Act. Currently the committees are obliged to face with us an emergency situation which calls for program shifts and adjustments, involving possible curtailment or actual discontinuance of some activities. Thus they are reappraising the program, including their own earlier recommendations, and advising us as to how we may best meet current requirements.

It has been most heartening to note how earnestly the committees with which I have met in recent months have gone about the stern task of reappraisal. Their increasing understanding of the whole job we are trying to do, the improved working relationships which they and we enjoy, and the sincerity of interest on the part of all of us in doing everything possible to meet most effectively the circumstances we now face—all of these things have been conductive to the high degree of helpfulness resulting from committee deliberations.

I am glad to state that we are learning more all the time of how best to work with the committees. I believe, also, that they are becoming increasingly aware of our growing appreciation of their advice and guidance. Indeed, I derive much satisfaction from a belief that we are developing a plane of mutual confidence which augurs extremely well for the future of our joint activities.

If, Mr. Chairman, your committee were interested in reviewing the available reports of the advisory committees that have met in recent months, they could be supplied. In reviewing them, myself, I have been impressed by the fact that, as the magnitude of the emergency has become more apparent the recommendations of the committees have become more specific by way of adjustment to need. The committees that met early last fall, for example, made more generalized recommendations; whereas, those which met within the last few weeks made more specific recommendations. This disposition on the part of the committees is likely to become still more pronounced as the demands of the emergency become clearer. It is for this reason that we hope to keep in close touch with the committees as necessary adjustments come into sharper focus.

4. STRENGTHENING OF RELATIONS WITH STATE AGENCIES AND WITH OTHER FEDERAL DEPARTMENTS

One of the areas of concern expressed by the advisory committee chairmen and the policy committee has been the need for further coordination of effort between the Department and the State experiment stations, so that their combined effort can make its maximum contribution to the total agricultural research program. Progress

has been and is being made in this general area. We are meeting, discussing, and jointly planning work on regional problems at both the technical and the administrative levels. This has been accelerated through the special provisions of section 9c of the Research and Marketing Act. As a part of this cooperation joint surveys of work in various commodity and functional fields under way in the Department and in the State experiment stations have been initiated. These surveys will serve as guides to research workers in the respective fields.

With respect to the work of other Federal agencies, it is recognized that several such agencies are carrying on research programs that have a direct bearing on making the most effective use of agricultural products. The National Institutes of Health, in their work on the use of foods and medicines, the Department of Defense, with respect to the preparation, storage, distribution, and use of food and fiber for the military, the State Department, with respect to its studies on foreign demand and the supply of agricultural products for export and import, are mentioned simply to indicate some of the areas of mutual interest.

Through the Interdepartmental Committee on Scientific Research and Development and through other liaison arrangements, we seek every possible effort to make our research more useful to these agencies and to utilize for the benefit of agriculture results which other Federal agencies are obtaining. I feel, however, that this is an area where closer coordination is necessary, and we shall do all we can to promote it so that we and other agencies may secure the greatest value from available facilities and resources.

5. EXTENSION OF THE USE OF CONTRACTING AUTHORITY

The study group, the Advisory Committee chairmen, and the Policy Committee on several occasions have urged us to use the special contracting authority under the Research and Marketing Act to the fullest extent. During the 1950 fiscal year we found it advantageous to use contracts with outside institutions to a greater extent than had originally been planned. As a result $1,292,767, or 11.75 percent of the appropriation, was used for research contracts instead of $1,143,990 (10.4 percent), the amount originally allotted, decreasing allocation for work by departmental agencies accordingly. For fiscal year 1951 the appropriation act requires that not less than $1,225,000 shall be available for contracts. We expect that this amount will be exceeded.

From our 3 years of experience with the use of this special authority, we are convinced that it affords the Department an effective means of furthering important segments of our program. The study group recommended that we make an inventory of all contracting facilities available throughout the country for our work. We have recently been conferring with the Defense Agency, the Atomic Energy Commission, and the National Institutes of Health and are drawing from information available in their files concerning the facilities for research available for contracting. This has been helpful, and we are planning to extend our inquiries to other areas.

We have recently reviewed the policies and procedures governing our contract work in the Department for the past 3 years and have revised them to enable us to negotiate, execute, and follow up on

contract work more expeditiously and effectively. We have not solved all our administrative problems, but we are making progress. We are anxious to take advantage of every means of strengthening our research and service work by contract.

6. MORE EFFECTIVE TELLING OF THE RESULTS OF RESEARCH AND SERVICE WORK

Research per se is without value unless the findings are made known to those who can apply them. An area of paramount importance in our program, therefore, has to do with informing the public of the results of our research and other work. Concern about the effectiveness of our present information program, particularly with respect to the processing and distribution channels, has been expressed during the past year by the Advisory Committee chairmen, the Policy Committee, and the study group. We are planning in March to review with the Policy Committee the total program through which research results flow to the public. We hope for helpful suggestions and recommendations from the thorough self-analysis we are making in preparation for this meeting, and particularly from the meeting itself. We may find it necessary to intensify our information work.

One of the recommendations made by the study group was that a monthly publication giving results of our work in popular language be issued. Plans have been made for such a publication, and we are now trying to determine ways and means of financing it.

Mr. Chairman, that concludes my formal statement.

Mr. WHITTEN. Dr. Cardon, I have been a member of this committee for several years and it is heartening to me, and I feel to the members of the committee, to see the full comprehension which you have of your job.

The Congress passed the Research and Marketing Act with the hope that it would result in giving attention to problems that were recognized in the business world and in the field by the farmers. Our problem on this committee, as I saw it, was that we would consider the regular research of the Department, and many times it was work that had been going on for many years.

Dr. CARDON. Yes.

Mr. WHITTEN. In addition, we had, through the Research and Marketing Act, extra money, and each bureau and agency put out all the effort they could to get this extra money in spite of the determined effort of the Administrator of the Research and Marketing Act to hold them down.

But what we have tried to see is a means of getting all the research of the Department geared up to meet the needs of agriculture and those engaging in it after full consultation between those that had the problems and you folks who are helping to solve them.

I believe that the report that you have given us today is the closest thing I have to a solution.

Consolidation of RMA Funds (Sec. 10 (a) and (b)) With Regular Funds

Another thing we did last year in our efforts to meet this problem was to consolidate these funds. We indicated at that time that it was not wise to turn the money back to the bureaus to handle as they saw fit, but instead we should make certain that an advisory committee would not only pass on that part of the money coming from research and marketing but also review the rest of the activities.

I wonder if you as the Administrator have as much leeway as perhaps you should have. I wonder if at this time we should not give some consideration to giving you a 10- or 15-percent leeway for transfers between bureaus as the needs might indicate.

I think you have been doing a splendid job. We want to strengthen your hands in coordinating this work and I do not want your hands tied. What I am saying would not apply to title II funds.

Dr. Cardon. Mr. Chairman, we interpreted the action of your committee with respect to the consolidation of funds in section 10 with regular and special research funds, as being a trial run, so to speak, and we have tried earnestly to observe the distribution of the money made available under section 10 in relationship to the other work.

I think the Office of Budget and Finance has supplied a document to this committee which reflects the record that has been kept of that money.

As to the flexibility and the possibility of need for flexibility in order to make adjustments, I think in the face of present circumstances, Mr. Chairman, we should be given flexibility, as much as is consistent with good administration, because we do not know exactly what is ahead of us.

I would assure you we would exercise the best judgment we possibly could bring to bear in making the funds most useful at the point where competency and need of the occasion might direct. I think it is recognizable that a lack of flexibility would handicap us in carrying out the work.

Mr. Whitten. Certainly it is the desire of the committee to handle this thing so that you can have some flexibility and meet problems as they develop. Actually, that is what we have always striven for—trying to find some means of cutting down on that which was showing little importance and turning to that which was most important. Having stressed that in the committee, most of us, I think, will seek ways and means of trying to give you some degree of latitude. When I say "degree," I think that would be ample because in the preparation of the budget you have your chance to present your ideas. Having had that opportunity, if we give you some degree of latitude now, I think that that should suffice. I do not want to pin you down on the record now, but the committee will be glad to have your suggestions as to how best to handle it.

Dr. Cardon. Yes.

Title II Fund

Mr. Whitten. In view of your experience with title I funds, have you reached the point where you believe that similar action would be appropriate with regard to title II funds, or are there any changes that should be made for title II funds?

Dr. Cardon. My frank and objective feeling, Mr. Chairman, is that it would be advisable for some period of time still to retain title II as a basis for marketing activities.

I would be particularly desirous of seeing that, pending whatever developments may flow from emergency requirements, plus possible organizational changes.

Method of letting contracts

Mr. Whitten. You mentioned the letting of contracts, and so forth. Now, are the contracts let by you, or are they let by the individual bureaus?

Dr. Cardon. May I ask Dr. Herrmann to respond to that question?

Dr. Herrmann. Our procedure is to work out contract suggestions in advance with the bureaus. These, of course, are in line with the suggestions from the advisory committees, as to the fields in which they believe the work is desirable. That, of course, passes on into the budget and up to the Appropriations Committee; and we make that as a general recommendation in our hearings before this committee.

In direct answer to your question, our Office retains the authority and we are the contract officer. We sign the contract. The bureaus themselves do the negotiations; they do the work with the contracting agency and they do the supervision work, but the over-all responsibility for contracting is still a part of our function in the Office of the Administrator.

Mr. Whitten. We will get the detailed report as to what these various research projects are showing from the appropriate bureaus as they appear before us.

Dr. Cardon. They will be prepared to give you that information. I should prefer to have it done that way if agreeable with the committee.

Mr. Stigler. Like you, Mr. Chairman, I find a lot of things disturbing me with reference to the Research and Marketing Act, but certainly I think all of us can say that Dr. Cardon this morning clarified many of those things in a most excellent manner.

Effect of reductions on service rendered

Mr. Bates. Dr. Cardon, it is so unusual for me to find anybody asking for less money of the Appropriations Committee that I am a little concerned about some reductions on page 2 of the justifications.

I am curious, for instance, to know what effect those reductions on items 1, 2, and 4 will have on the Marketing News, if any. It is very valuable to my people.

Dr. Cardon. I should like, if you are agreeable, to ask Dr. Trelogan to respond to that question.

Dr. Trelogan. Item 1 on page 2 includes some market news work. The reduction here does not pertain to the Market News

service as established and carried on with the regular appropriation for the Marketing News.

Our work has more to do with the research involved in its improvement, so that this reduction would not curtail any going service—established services. We are dealing primarily with the research relationships under item 1.

Mr. BATES. The news will still go out to the farmers?

For instance, I am speaking of Evansville, Ind., which was started last year.

Dr. TRELOGAN. That is not under this appropriation.

Mr. WHITTEN. This is research, and the men on research are seeking better means of obtaining the information, correlating it and getting it to the public. It does not have to do with the service end of it.

Dr. TRELOGAN. That is right; it includes only a few experimental services.

Mr. BATES. Now, take items 2 and 4.

Dr. TRELOGAN. I will be prepared to discuss those later, if you prefer.

POSSIBILITY OF REDUCTION IN APPROPRIATION FOR MARKET OUTLETS

Mr. WHITTEN. We recognize fully the value of research, on this committee. At the same time, we are thoroughly conscious of the very bad financial situation that our country is in. We are faced with the necessity of curtailing expenditures wherever we can. In view of the changed situation, where we have agricultural shortages instead of anticipated surpluses, I am wondering whether we should give the same weight to the appropriation for market outlets as we have heretofore given, for which there is set up in this budget $1,057,300 for the fiscal year 1952. I wonder if that is not one place where some review should be made in view of the present situation.

Dr. CARDON. In connection with the reduction in title II, we are prepared to show what is contemplated. In this connection I would like to insert a statement concerning the various phases of the program.

The following statement indicates the adjustments which are being made in each of the major areas of work under this appropriation to meet reductions in the budget estimates for the fiscal year 1952:

(The statement referred to is as follows:)

Basic data and information on supplies, movements and prices.—Essential data on production, stocks, and movements that have been supplied under this project for products important in an emergency will not be impaired. Reductions have been confined to research or exploratory work on methods of collecting statistics or providing market news of this type. New demands for additional data and information may arise as critical supply situations develop, and some flexibility may be required to meet these demands. Since these cannot be fully anticipated at this time, specific provision for such new or expanded services has not been possible. Projects such as those involving the collection of data on broiler chick production and estimation of beef cattle on feed are illustrative of the type of information that may need to be expanded to cover additional areas in order to assure the best use of available feed and meat supplies.

Expansion of outlets for farm products.—About half the total decrease in title II work falls within this area, because prospects for surpluses of agricultural products are considerably altered as compared with conditions at the time the projects were initiated. Many of these projects, however, are being modified to seek different objectives that will be consistent with the defense program. Funds previously devoted to projects in this area concerned with the expansion of food and fiber outlets will be shifted to projects in other areas directed toward

making the best use of available food and fiber supplies, or otherwise modified in line with the marketing outlook.

The measurement and analysis of marketing services, costs and margins.—With rising prices of food products, increased attention is directed toward marketing costs and the places in the marketing system where the increases are occurring. In addition, with possible shortages of manpower, materials, and equipment, emphasis is placed upon the need for marketing research and service work to reduce marketing costs and increase marketing efficiency. Cognizance is taken of these needs in the allotment of funds under this category. Some additional work is proposed for determining the comparative advantages of performing marketing functions, such as storage, at different points in the marketing system. Several recent developments of the atomic age point to the desirability of holding more stocks at decentralized points on or close to the farms, but the costs of doing so need to be ascertained more clearly.

Improvement in grading, handling, packaging, transportation, storage and merchandising.—As mobilization programs are accelerated and consumer demands increase, the need for conservation of food products handled and resources used to market them assumes greater importance. Allocations under this category, therefore, emphasize work designed to effect reduction of spoilage and waste in marketing channels and studies on the conservation of manpower, materials and facilities utilized in marketing operations. The discontinuance of some completed projects, together with curtailment of others nearing completion, results in a net reduction in this phase of the program, and also permits implementing certain projects, such as those on packaging and loading techniques, that are expected to make a direct contribution to the defense effort.

Evaluation and improvement of marketing facilities, methods, policies, and organization and pricing practices.—In view of the high proportion of the consumer's dollar absorbed in retail distribution, work designed to help wholesalers and retailers handle agricultural products more efficiently will be maintained, with greater attention being given to better use of facilities and equipment at hand rather than the acquisition and construction of new equipment and facilities. Further attention will be given to retail training programs to help take care of manpower needs, which are further aggravated by rapid turn-over of personnel in stores. These activities, together with closely associated studies on work simplification and training methods, will be maintained or somewhat expanded, at the expense of research of a more fundamental character having promise of less immediate application in improving agricultural market operations.

Progress on Aftosa

Mr. Whitten. There is another question that presents itself—where is your research with regard to aftosa? I believe it is being carried on in Mexico City. Where does that show up in the justifications, or is that handled by the money that we pay out in the control program down there?

Dr. Cardon. I am of the opinion it is a part of the control program. I would like to refresh my memory.

Mr. Whitten. I see that Mr. Roberts, the budget officer, says that is true.

Mr. Roberts. The money referred to for short-term research on foot and mouth disease, which is beneficial to the eradication program in Mexico, is expended as a part of the eradication program fund; the monies advanced from the Commodity Credit Corporation and provided by reimbursement appropriations to the Commodity Credit Corporation.

Mr. Horan. The proposed laboratory would come under the research administration?

Dr. Cardon. Yes.

Mr. Horan. That would be a $3,000,000 to $5,000,000 recurring appropriation, if and when that laboratory is established?

Dr. Cardon. Yes.

Mr. HORAN. It has not as yet been established?

Dr. CARDON. It has not been established; no, sir.

Mr. BATES. The witness has not told me all that I want to know about item No. 4. I am wondering if that would have any bearing on the Tobacco Grading Act?

Dr. TRELOGAN. It does not.

USE OF DEPARTMENT IN THE DEFENSE EFFORT

Mr. ANDERSEN. Dr. Cardon, to what extent do you anticipate your organization will be used along defense lines this coming fiscal year, and also have you any idea how much transfer of funds will be made from defense to your organization for research?

Dr. CARDON. In reply to the first part of your question, I would like to say, in the light of our experience in World War II, we anticipate being called upon to do considerable work in connection with national security activities.

Mr. ANDERSEN. I think that you touched upon that in your general report.

Dr. CARDON. Yes.

Mr. ANDERSEN. Can you be a bit more specific as to amounts?

Dr. CARDON. I cannot be specific at the moment, Mr. Andersen, as to what amounts would be involved. We are currently making an appraisal of all of our work in the light of our experiences in World War II, to see to what extent we could, through adjustment of our finances and the realinement of our technical personnel, be able within available funds, to make adjustments in that direction, and secondly, to what extent we would have to have our funds supplemented in order to do the job expected of us. Whether that should be simply an amount to aid us, with the use of what funds we have available, or whether it would be an undertaking so far out beyond anything we are in a position to do that it would require almost complete support from some other source, I am not prepared to say.

Mr. ANDERSEN. The purpose of my question lies in the fact that I note that you have anticipated decreases as far as appropriations are concerned of about $400,000. There entered my mind the question as to how you would be able to keep your trained staff with you unless it could be taken care of by a transfer of funds perhaps from defense. I recognize the difficulty that you have in getting good trained men and holding them.

Dr. CARDON. Yes.

Mr. ANDERSEN. That is the line of thought I have on this particular subject.

Dr. CARDON. The reduction indicated in the amount that you have expressed is pertinent primarily to title II of the Research Marketing Act. I am concerned, as you are, with how best we might in the emergency utilize our trained personnel in such manner as to make them most effective.

I would hope that as we are requested from security sources to engage in activities in support of national security, we would have, as I have already indicated, some flexibility in the reassignment of our personnel to focus upon the problems presented, and with our facilities and our personnel to do that kind of a job, even though we have to suspend or discontinue some of the work of regular character.

Mr. ANDERSEN. Dr. Cardon, I think that we should go a little further down the road and insist at this time that Defense transfer direct to you the cost of the projects they want you to enter upon so that you can keep a good cohesive organization, and also when we get out of this war you will not have suffered from it, because both you and I realize that your first duty, I think, is to utilize your trained personnel where they will do the most good during the emergency. However, at the same time, I do not want to see your organization disrupted to the extent that it cannot do a good job after the emergency.

Dr. CARDON. I am fully in agreement with you, Mr. Andersen. I can assure you while we are anxious to do everything we can to help in the present emergency, we cannot lose sight of the fact that in the long run we should retain as nearly a basic effective organization as possible for the service we may render to agriculture. We are dealing with living materials in so many areas of our activities, and to lose living materials by unwise suspension, or curtailment, would mean that we could lose some advantages that have been gained only through consistent technical effort over a long period of years.

I should like to add one further comment, and that is that despite the 3,200 pages of our effort to show what we have been doing, there is one very important thing we could not show—it is an intangible thing—but in my estimation it is one of the greatest products of agricultural research in the last 75 years, and that is knowledge and competency of persons who through years have been engaged upon and meeting the requirements of problems confronted. To lose that competnecy would be a serious loss, and I am at the moment struggling to find ways and contacts and liaison relationships of such a character that will enable us to do our utmost in support of national security; to do our utmost to retain an effective organization and to retain our materials, because if we are unable to do that, the net loss to agriculture, in my estimation, would be much more than can be represented by anything in the nature of budget figures.

(Discussion off the record.)

ACTIVITIES IN WORLD WAR II

Mr. HORAN. Dr. Cardon, during World War II you used a lot of funds transferred to you from the Defense Department; is that not true?

Dr. CARDON. Yes. We had funds transferred to us from a number of other agencies, including the defense forces.

Mr. HORAN. What can the committee do, or what do you do, to avoid the embarrassment of building up the Department beyond the safe level it should be because of the impact of transferred funds to meet the national emergency situation?

Dr. CARDON. What we attempted to do in the last war, and I think is our present guide—where there was a job to be done and supported by funds to be transferred to us—we sought from whatever area in our total organization we could find them, the persons most competent to make up a team in that field; for example, the insecticidal team that operated so successfully at Orlando, Fla., during the war. That was in full recognition of the fact that when those funds became

no longer available the different individuals so engaged would be returned to whatever activities at that time we were in a position to carry forward. We did not lose sight of the fact that it was a job set up for a specific purpose, for a time limit, and that we would be expected to work on it for that time and be prepared to take care of the staff so set up in our work later.

Mr. HORAN. Now, when there are funds transferred and you do not increase then the size of any given division of the research administration, should not the effect of those transfers be reflected in a decrease in the amount of direct appropriations we are required to appropriate here?

Dr. CARDON. I would think, Mr. Horan, where there is a transfer of funds for a given activity and which, as in the case you cited, it should result in any curtailment or discontinuance of work elsewhere, there should be a reflection of that.

It is very difficult to generalize on that because frequently there is need for the continuing activity as a result of the demand for work in that field from which these men were taken.

Mr. HORAN. You are aware, of course, of the classic example before this subcommittee. Our chairman 2 years ago refused Dr. Hilbert a laboratory where he could test fuels under certain climatic conditions. The money was not allowed, and we did not even have to go to Florida, as the chairman suggested there already existed a climate laboratory—all we had to do was to go to Fort Belvoir to find that equipment in a climate laboratory there.

Dr. CARDON. That was a classic example.

Mr. HORAN. I suspect that we will have many of them. That is why I, in company with our chairman, am very happy that you are undertaking a very difficult project, and that is, an inventory of the talents and facilities that would give us a well-balanced research program.

RESEARCH RELATIONSHIPS WITH INDUSTRY

I presume that these letters you have given us are confidential.

Dr. CARDON. I ask merely that they not be used in the record because the correspondence was carried on without any such intention.

Mr. HORAN. I am very happy that they exist. However, this paragraph is in a letter that comes from the head of a big private research group and it is so much to the point that I ask permission to read it into the record:

> Periodic appraisal of research work in process is another way of saying one must keep books. In this research is no different from any other business. It is through the progress made and its dissemination among key men in management that affairs are maintained at full efficient and the judgment of key men is assured. That is just another way of saying that if we do not know what is going on around we cannot intelligently direct the activities of the organization.

I know that this committee has reiterated time and time again where we sit in trying to pass judgment on national affairs, and to include in that judgment the best interests of agriculture, that there should be an inventory. I realize how difficult it is to have an inventory because you might set down what exists here in the shape of talent and facilities and next week it might all be changed. However, an attempt should be made, I think, to do that and to evaluate who best can do this research work.

Dr. CARDON. We are attempting to do that but it is very difficult. We have to deal with many different individuals and all the peculiarities of human nature and the background of association and experience, and yet I am confident we are gaining a pretty good understanding of it, Mr. Horan, and despite the difficulties I believe that we are getting hold of the situation and should be in a position to do a good job. It is a thing that needs to be done constantly because it is important not only in an emergency situation, but it is important at all times that the right man be on the right job, and it is not a simple thing to accomplish.

Mr. HORAN. I was privileged to sit in last summer at a meeting of the Policy Committee.

Dr. CARDON. And there were chairmen of the advisory committees also present.

PROPOSED EXHIBITS ON THE DEPARTMENT'S RESEARCH

Mr. HORAN. At that time it was tentatively agreed that some effort might be made to have a sort of research fair out at Beltsville where some sort of an exhibit of various types of research would be displayed, if that were possible, and an accompanying placard prepared, if possible, to show where that type of research is being done elsewhere in the United States by other governmental agencies.

Private research, of course, is another matter.

I understand that that proposal, which seemed to be pretty well received, has been abandoned for the time being. Was it the Korean War that caused the abandonment of that proposal?

Dr. CARDON. Mr. Horan, I recall a statement to that effect made by you, I believe.

Mr. HORAN. I believe that Mr. Pace, of Georgia, thought that it would be a fine thing.

Dr. CARDON. We have not been able to go forward with the setting up of a fair, which is a little different connotation than I had in mind.

Mr. HORAN. I just used that term.

Dr. CARDON. It would be rather difficult for us to assemble at any given point currently, and keep it current, a total over-all picture. But this is what we have done: This year, for the first time, as these advisory committees meet, they do spend 1 of the 3 days at Beltsville, and in addition to that we are giving them information as to where in the United States the work is going on and where it is being done, particularly under the RMA funds. I would hope to be able to prepare a guide that would make it possible for them to go and know in their travels what is of interest to them, and where it is done and who is doing it, and I think we should have it; but to compile it and get it out is more of a task than we have been able to do. Frankly, we were almost totally engaged in the preparation of the Pace committee report for several months, and it was a huge undertaking. We have not been able to conform to that full suggestion that you made, or which was made.

I would think that it would be quite difficult, Mr. Horan, to set up at Beltsville something that could be kept current.

Mr. HORAN. That is not what I had in mind. I do not think that Mr. Pace had that in mind, either. We meant just a round-up of

the work that could be made into an exhibit to indicate where else similar work, or complementary work, might be going on.

I assume this inventory, when you have compiled it, would give you the key to that.

Dr. CARDON. Oh, yes.

POSSIBLE OVERLAPPING OF FUNCTIONS

Mr. HORAN. Now, to go from that general observation to one that is specific—and I have shown Dr. Shaw what I have in mind—I notice under project No. 72 on page 29 of this round-up a project under the heading "Toxicological effect of insecticides, fungicides, and herbicides on plants and animals." That is being participated in by five bureaus—the Bureau of Entomology and Plant Quarantine; the Bureau of Animal Industry; the Bureau of Dairy Industry; the Bureau of Plant Industry, Soils, and Agricultural Engineering; and the Bureau of Agriculture and Industrial Chemistry.

The estimated expenditures under that for 1951 are about $175,000.

In addition to that, this same heading probably could be approximated in the Public Health Service. At least there should, and probably will sometime be a program in the Public Health Service that would approximate $100,000 to $125,000 for conducting similar experiments.

Now, under the transfer that was made from this appropriation, Dr. Simmons of the Public Health Service did set up at the tree-fruit laboratory in Wenatchee, Wash., or has now set up, a small station to make toxicological studies. He has also gone further than that. He has made arrangements with the Marine Hospital in Seattle to take people like myself and others who have been exposed to various insecticides over the years and put us through a very extensive and complete physical examination to determine the build-up of toxic materials in the tissues of the body, and so forth. That is his program as projected. It cannot be laughed off because the Public Health Service does have the confidence of the people.

Dr. CARDON. That is right, sir.

Mr. HORAN. Probably whatever Agriculture might do in this field would be discredited in some way because of the purported bias.

Now, at the same time, the Food and Drug Administration is carrying studies, and they maintain their own laboratory and presumably they are working on toxicological levels in order to set tolerance levels for industry to follow in moving foodstuffs in commerce. Here is a place where some study of coordination between departments could be had.

The point that I am getting at, Doctor, is that we try to fix these things under which commerce must act, and we must pick out that department of government in which the general public, the consuming public, has the most faith.

Personally, I am happy to see these studies going along, especially the ones in the Bureau of Plant Industry, Soils and Agricultural Engineering. I think undoubtedly that is legal there because we do know that you can make your soil toxic, and toxicity has to be overcome. Perhaps some of the other work could be properly analyzed to find out if they should not be abandoned and the work and respon-

sibility for success turned over to some other department of government.

I raise that question because I hope it is specific. I hope that I have made myself clear.

FIELDS COVERED BY TOXICOLOGICAL WORK OF THE DEPARTMENT

Dr. CARDON. I think you have, sir.

Well, I can say that we are attempting to keep in close cooperative understanding with the other agencies, as I earlier indicated. To what extent there may be areas in our program that would relate to theirs, or unnecessarily overlap, I am not at the moment prepared to say, but I will assure you I will take whatever steps I can to improve relationships if they can be improved. We are quite aware we do have a responsibility in the field of insects affecting our crops.

Mr. HORAN. There is no question about that.

Dr. CARDON. And those affecting animals and the possibility, as you have indicated, of effect upon the soils, which would be disadvantageous.

Mr. HORAN. I do not recall the exact figures, but undoubtedly there is someone who can tell us about the effects on the increased weight of livestock when they are sprayed with DDT. The man who wrote the book 100 Million Guinea Pigs caused enormous embarrassment and expense to American agriculture, and that type of fellow will grasp the fact that appears to be going around that if you spray an animal with DDT a portion of that insecticide and chemical is absorbed by the tissues of the animal. We know that it enormously increases the weight merely by making the animal not susceptible to the nervousness caused by flies and other insects; but the proper agency of Government ought to make those determinations, else somebody is going to sell books and scare everybody to death. Obviously, the Department of Agriculture, in my book, would be the one to make some of those studies, but we have to find out where the areas of activity properly belong and not have an overlapping. I believe that therein is this.

Dr. SHAW. Our responsibility, of course, applies only to the soils, the plants, and the animals. We do not do anything on the toxicological effect on humans. That is done over in the National Institute of Health.

But in this particular instance, of course, we are concerned with DDT that accumulates in the fats and in the tissues of the beef animals, and the DDT that accumulates in the fat and is thereby transferred to the milk and comes out in the butterfat.

Likewise, we are interested in all the other insecticides. DDT, as you know, came to us before we had adequate information. I mean, people just picked it up much earlier than ordinarily would have happened because of its tremendous effect upon insects.

Mr. HORAN. Off the record.

(Discussion off the record.)

Mr. HORAN. How can you tell when you have gone any place in research and that you can abandon this project and take up that one?

Dr. CARDON. I would like to reply off the record, if I may.

(Discussion off the record.)

Mr. HORAN. I would like to make an observation on the record. Dr. Cardon made a point. I cannot quote it exactly, but it was to the effect that no amount of research per se would be of any account unless it was put to practical use. Of coures, the best sort of justification for the Congress is to be able to point out the achievements of a material nature where we can.

Do you find in your various committees set up under the Research and Marketing Act that you have a better way of making known the facts of research?

Dr. CARDON. I should say yes, that we have a better way potentially, but partly as a result of our own lack of experience and our own inadequacy, we still have much to do by way of taking full advantage of that potential. By way of being more specific, in the field of production and through the years since 1914, or thereabouts, we have had close liaison with the extension services to get production matter very well implemented and out into practice, but we have not had that experience, so much experience, in the field of utilization, which is improving, by the way. We do have increasing industrial relationships that are giving us some better advantage than we formerly had.

We still do not have anything comparable to an extension service in that field. Still more so in the field of marketing; we have had relatively little experience, and I sense very keenly the need of having a better working relationship in that field.

I have had a number of discussions with persons whom I would regard as experts in the field of public relations and for all activities in industry. They have very kindly volunteered to be helpful to us in any way they can. Constantly in our committee meetings the need for that is being emphasized.

I am hopeful in preparation for our next meeting with the Policy Committee, which is scheduled for March 19–21, we will have an opportunity to sit down with a dozen or more competent people in the field of industrial use of information to get guidance as to how they could better function along those lines; in other words, it will be something in the nature of a temporary advisory committee in that field.

We need to know more of what to release, in what form, where to send it, what contacts are desirable as nuclei from which the information might be further disseminated. I believe that there is a tremendous job to be done there. I do not know how we can do it effectively without the advice and guidance of competent people, because that is a professional field in itself, and whereas our whole background and experience has been in the conventional pattern of releasing information to extension services, and they in turn handing it out, we have to find a different way of putting out some of this other information so that wholesalers, retailers, persons engaged in transportation and handling, and so on, will get the essence and the very cream and the interest out of our work without being confronted with stacks of conventional types of publications and information. They may want to come back to that, but they must be shown what it entails.

Mr. HORAN. We might sum up this very interesting little discussion by, I suppose, outlining the fact that the circulatory system of research, demand, and accomplishment is the problem of society, whether it is commercial or whether it is a condition you find in the field, a demand somebody do something about it, and then a report on what has been done by research to meet that problem.

Dr. CARDON. That is right, sir.

Mr. HORAN. So I think the answer to the question I asked you would be, at least, part of the arrival at some place is when you put out a beneficial document outlining the results of research to help the American people.

Mr. WHITTEN. I would like to insert into the record at this time a set of tables for title II work, in connection with Dr. Cardon's earlier statement.

(The tables referred to are as follows:)

INDEX OF TABLES RELATING TO OBLIGATIONS UNDER RESEARCH AND MARKETING ACT, TITLE II

Table I. Financial project summary.
Table II. Commodity summary, direct work, and contracts.
Table III. Agency summary, direct work, and contracts.
Table IV. Functional summary.
Table V. Summary of projects providing for State cooperation on a matching fund basis.
Table VI. Commodity summary of research and service contracts.
Table VII. Agency summary of research and service contracts.

NOTE.—Amounts shown on these tables for 1952 represent the best judgment of the need for the amount of the budget estimate as of December 15, 1950. Further meetings with commodity and advisory committees are scheduled for the near future, and continuing analysis in the light of changing conditions is needed, with possible attendant changes in individual work project amounts. With respect to contracts, it is not feasible to begin negotiations with prospective contractors prior to the availability of the appropriation, and the amounts will no doubt be revised to omit some proposals where suitable reasonable contracts cannot be executed and to substitute other important contract work.

TABLE I.—*Obligations by financial projects, fiscal years 1950 actual, 1951 and 1952 estimated*

Financial project	1950 actual	1951 estimated	1952 estimated
1. Basic data and information on supplies, movements and prices	$604,646	$641,900	$578,400
2. Expansion of outlets for farm products	1,250,197	1,277,500	1,057,300
3. Measurement and analysis of marketing services, costs, and margins	646,431	662,900	696,400
4. Improvement in the grading, handling, packaging, transportation, storing, and merchandising	1,620,690	1,624,800	1,470,300
5. Evaluation and improvement of marketing facilities, methods, policies, and organization and pricing practices	1,565,672	1,558,900	1,531,600
6. Over-all administration	134,960	166,000	166,000
Total obligations	5,912,596	5,932,000	5,500,000

Commodity summary of obligations under title II, Research and Marketing Act Act allotments, fiscal years 1950 actual, 1951 and 1952 estimated

Commodity	Direct work (other than contracts)			Contracts			Total		
	1950 actual	1951 estimated	1952 estimated	1950 actual	1951 estimated	1952 estimated	1950 actual	1951 estimated	1952 estimated
General	$3,248,149	$3,274,400	$2,992,400	$306,772	$350,000	$375,000	$3,554,921	$3,624,400	$3,367,400
Cotton	138,725	138,000	117,000	34,367	25,000	3,000	173,092	163,000	120,000
Dairy	171,192	185,250	193,500	30,000	58,750	37,000	201,192	244,000	230,500
Fats and oils	210,225	217,500	196,500	23,500	42,000	20,000	233,725	259,500	216,500
Field crops	422,840	385,200	382,700	1,440	10,000	17,000	424,280	395,200	399,700
Forest products	49,151	50,000	50,000				49,151	50,000	50,000
Fruits and vegetables	362,869	382,250	343,500	260,815	122,250	117,000	623,684	504,500	460,500
Livestock	124,398	114,700	106,700	2,000	26,000	16,000	126,398	140,700	122,700
Potatoes	72,348	75,000	68,500				72,348	75,000	68,500
Poultry	144,975	166,200	156,200		16,000	15,000	144,975	182,200	171,200
Sugar	51,302	42,500	45,000				51,302	42,500	45,000
Tobacco	48,436	48,000	48,000				48,436	48,000	48,000
Wool	65,132	37,000	34,000	9,000			74,132	37,000	34,000
Over-all administration	134,960	166,000	166,000				134,960	166,000	166,000
Total	5,244,702	5,282,000	4,900,000	667,894	650,000	600,000	5,912,596	5,932,000	5,500,000

TABLE III.—*Agency summary of obligations under title II, Research and Marketing Act Allotments, fiscal years 1950 actual, 1951 and 1952 estimated*

Agency	Direct work (other than contracts)			Contracts			Total		
	1950 actual	1951 estimated	1952 estimated	1950 actual	1951 estimated	1952 estimated	1950 actual	1951 estimated	1952 estimated
Bureau of Agricultural Economics	$958,462	$980,000	$904,500	$354,872	$245,000	$240,000	$1,313,334	$1,225,000	$1,144,500
Office of Experiment Stations	303,144	311,000	286,000				303,144	311,000	286,000
Bureau of Human Nutrition and Home Economics	10,126	10,000	10,000				10,126	10,000	10,000
Bureau of Animal Industry	26,159	25,000	25,000				26,159	25,000	25,000
Bureau of Dairy Industry	24,818	25,000	25,000		27,000		24,818	52,000	25,000
Bureau of Plant Industry, Soils and Agricultural Engineering	357,347	356,000	321,000		5,000		357,347	361,000	321,000
Bureau of Entomology and Plant Quarantine	87,188	100,000	95,000				87,188	100,000	95,000
Forest Service	39,551	44,000	44,000				39,551	44,000	44,000
Production and Marketing Administration	2,326,411	2,257,000	2,136,500	273,000	276,000	259,000	2,599,411	2,533,000	2,395,500
Farm Credit Administration	209,206	210,000	188,000	31,622	22,000	21,000	240,828	232,000	209,000
Extension Service	569,097	624,000	569,000		75,000	80,000	569,097	699,000	649,000
Office of Foreign Agricultural Relations	194,208	180,000	140,000	8,400			202,608	180,000	140,000
Office of Administrator, ARA	103,173	125,000	121,000				103,173	125,000	121,000
Staff offices:									
Office of the Secretary	3,978	4,000	4,000				3,978	4,000	4,000
Office of the Solicitor	3,484	5,000	5,000				3,484	5,000	5,000
Office of Information	28,350	26,000	26,000				28,350	26,000	26,000
Total	5,244,702	5,282,000	4,900,000	667,894	650,000	600,000	5,912,596	5,932,000	5,500,000

TABLE IV.—*Functional summary of obligations under title II Research and Marketing Act allotments, fiscal years 1950 actual, 1951 and 1952 estimated*

	1950 actual	1951 estimated	1952 estimated
I. BASIC DATA AND INFORMATION			
(a) Reports on supplies, prices, and movement of farm products	$251,614	$257,700	$230,700
(b) Improving market news and other market information services	195,690	149,200	133,700
(c) Promoting greater use of market information through State educational and service agencies	247,342	235,000	214,000
Total, financial project I	694,646	641,900	578,400
II. EXPANSION OF OUTLETS FOR FARM PRODUCTS			
(a) Development of foreign outlets	212,986	190,000	145,000
(b) Exploring opportunities for expanding domestic markets	214,067	206,000	162,000
(c) Determining consumer preferences	222,568	218,600	138,600
(d) Consumer education	103,061	104,400	104,000
(e) State service programs to expand market outlets	367,440	435,000	390,000
(f) Analyses of supply, demand, and consumption	130,075	123,500	117,700
Total, financial project II	1,250,197	1,277,500	1,057,300
III. MARKETING SERVICES, COSTS, AND MARGINS			
(a) Analyses of marketing services	115,225	150,100	137,600
(b) Studies of pricing practices	34,998	38,500	46,000
(c) Measurement of costs and margins	496,208	474,300	512,800
Total, financial project III	646,431	662,900	696,400
IV. IMPROVEMENT IN PREPARATION AND HANDLING OF FARM PRODUCTS			
(a) Development and improvement of grades and standards	471,139	480,100	407,100
(b) Developing improved containers and methods of packaging	179,537	130,200	163,200
(c) Improving transportation services and equipment	117,631	127,100	126,100
(d) Economic studies of new and improved processing methods	230,519	245,100	224,100
(e) Improved storage and conditioning of farm products	416,165	426,300	366,300
(f) Quality preservation in marketing channels	205,699	216,000	183,500
Total, financial project IV	1,620,690	1,624,800	1,470,300
V. EVALUATION AND IMPROVEMENT OF MARKETING SYSTEM			
(a) Improvement in physical plant	269,798	260,000	244,500
(b) Increasing efficiency of merchandising agricultural products	388,940	336,400	390,400
(c) Evaluation of market organization	383,240	307,900	285,700
(d) Improving marketing methods and efficiency through State educational and service programs	523,694	654,600	611,000
Total, financial project V	1,565,672	1,558,900	1,531,600
Over-all administration	134,960	166,000	166,000
Total, title II	5/912,596	5,932,000	5,500,000

TABLE V.—*Summary of obligations under Research and Marketing Act projects providing for State cooperation on a matching fund basis*

Type of project	1950 actual	1951 estimated	1952 estimated
Cooperative projects with State extension services	$485,356	$528,000	$478,000
Cooperative projects with State departments of agriculture and bureaus of markets	585,319	645,000	600,000
Cooperative projects with State agricultural experiment stations	292,150	300,000	275,000
Total	1,362,825	1,473,000	1,353,000

TABLE VI.—*Commodity summary of research and service contracts, fiscal years 1950 actual, 1951 and 1952 estimated*

Commodity	1950 actual	1951 estimated	1952 estimated [1]
General	$306,772	$350,000	$375,000
Cotton	34,367	25,000	3,000
Dairy	30,000	58,750	37,000
Fats and oils	23,500	42,000	20,000
Field crops	1,440	10,000	17,000
Fruits and vegetables	260,815	122,250	117,000
Livestock	2,000	26,000	16,000
Poultry		16,000	15,000
Wool	9,000		
Total	667,894	650,000	600,000

[1] Since it is not feasible to begin negotiations with prospective contractors prior to the availability of the appropriation, this summary of prospective contracts by commodity no doubt will be revised to omit some proposals where suitable reasonable contracts cannot be executed and to substitute other important contract work.

TABLE VII.—*Agency summary of research and service contracts fiscal years 1950 actual, 1951 and 1952 estimated*

Agency	1950 actual	1951 estimated	1952 estimated [1]
Bureau of Agricultural Economics	$354,872	$245,000	$240,000
Bureau of Dairy Industry		27,000	
Bureau of Plant Industry, Soils, and Agricultural Engineering		5,000	
Production and Marketing Administration	273,000	276,000	259,000
Farm Credit Administration	31,622	22,000	21,000
Extension Service		75,000	80,000
Office of Foreign Agricultural Relations	8,400		
Total	667,894	650,000	600,000

[1] Since it is not feasible to begin negotiations with prospective contractors prior to the availability of the appropriation, this summary of prospective contracts by agency no doubt will be revised to omit some proposals where suitable reasonable contracts cannot be executed and to substitute other important contract work.

OFFICE OF THE ADMINISTRATOR

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$572,000	$600,000	$587,000
Unobligated balance, estimated savings	−5,673		
Savings under sec. 1214		−5,000	
Obligations incurred	566,327	595,000	587,000
Comparative transfer from "Research and Marketing Act of 1946, Department of Agriculture"	204,347		
Comparative transfer to "Salaries and expenses, Office of the Secretary of Agriculture"	−7,307	−7,500	
Total direct obligations	763,367	587,500	587,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	1,897,586	406,200	413,000
Total obligations	2,660,953	993,700	1,000,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Administration and over-all direction of the Agricultural Research Administration	$363,130	$351,000	$350,600
2. Supervision of maintenance, operation, and furnishing of facilities and services at the Agricultural Research Center	252,228	236,500	236,400
3. Replacement of granary buildings and inventory destroyed by fire	148,009		
Total direct obligations	763,367	587,500	587,000
REIMBURSABLE OBLIGATIONS			
4. Furnishing of facilities and services at the Agricultural Research Center	1,897,586	406,200	413,000
Total obligations	2,660,953	993,700	1,000,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	425	210	209
Full-time equivalent of all other positions	71	12	12
Average number of all employees	481	212	210
Personal service obligations:			
Permanent positions	$1,377,027	$745,800	$754,200
Part-time and temporary positions	204,814	25,000	25,000
Regular pay in excess of 52-week base	5,415		3,000
Payment above basic rates	29,387	10,300	10,300
Payments to other agencies for reimbursable details	5,827		
Total personal service obligations	1,622,470	781,100	792,500
Deduct charges for quarters and subsistence	6,157	4,600	4,600
Net personal service obligations	1,616,313	776,500	787,900
DIRECT OBLIGATIONS			
01 Personal services	582,421	447,600	455,600
02 Travel:			
Advisory committees	20,485	22,000	22,000
Agency personnel	6,118	6,400	6,400
03 Transportation of things	755	300	300
04 Communication services	5,062	6,100	6,100
05 Rents and utility services	5,208	4,800	4,800
06 Printing and reproduction	6,556	9,500	6,500
07 Other contractual services	29,359	74,700	69,900
Services performed by other agencies	2,971	2,000	2,000
08 Supplies and materials	83,379	8,800	8,300
09 Equipment	21,053	5,300	5,100
Total direct obligations	763,367	587,500	587,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	1,033,892	328,900	332,300
03 Transportation of things	4,135	600	600
04 Communication services	45,438	20,400	20,400
05 Rents and utility services	101,989	16,000	16,000
06 Printing and reproduction	54	200	200
07 Other contractual services	17,747		
08 Supplies and materials	654,666	35,800	38,900
09 Equipment	39,665	4,000	4,000
15 Taxes and assessments		300	600
Total reimbursable obligations	1,897,586	406,200	413,000
Total obligations	2,660,953	993,700	1,000,000

Mr. WHITTEN. Taking up now the Office of the Administrator, I would like to have pages 58, 59, and 60 included in the record at this point of the justification. We will be glad to have your general statement, Dr. Cardon.

(The pages referred to follow:)

PURPOSE STATEMENT

The Agricultural Research Administration was established by the Secretary of Agriculture on December 13, 1941. This action was confirmed by Executive Order No. 9069, issued February 23, 1942. The organization was continued without change under Reorganization Plan No. 1 of 1947. It is composed of the following units:

Office of Administrator (including the Agricultural Research Center).
Office of Experiment Stations.
Bureau of Human Nutrition and Home Economics.
Bureau of Animal Industry.
Bureau of Dairy Industry.
Bureau of Agricultural and Industrial Chemistry.
Bureau of Plant Industry, Soils, and Agricultural Engineering.
Bureau of Entomology and Plant Quarantine.

Through these agencies the Administration carries on most of the Department's research in the physical and biological sciences. It operates the 12,000 acre Agricultural Research Center at Beltsville, Md., where numerous research projects of the Department's bureaus, including some bureaus outside the Agricultural Research Administration, are under way. Much of the Administration's research is conducted in cooperation with the State agricultural experiment stations and with other research agencies, both public and private.

The Administration also conducts those control and regulatory programs of the Department which involve the enforcement of plant and animal quarantine, meat inspection, and the control of diseases and insect pests of animals and plants.

The Administration is responsible for the program of Federal-grant funds made available to the States for the operation of agricultural experiment stations and for the coordination and integration of research work under way in the Department with that of the State agricultural experiment stations.

A more detailed discussion of work performed is included in the statements prepared by the individual bureaus of the Administration.

OFFICE OF ADMINISTRATOR, ARA

The Office of Administrator, Agricultural Research Administration, includes scientific and administrative personnel engaged in planning, coordinating, and directing, in conjunction with Bureau chiefs, the research and regulatory programs of agencies within the Administration to assure effective utilization of resources and an integrated research program which, in the light of research conducted by other public agencies and private industry, is adapted to the changing needs of agriculture and the Nation's requirements for food, feed, and fiber.

Attached to the Office of Administrator, and subject to his supervision, is the Agricultural Research Center at Beltsville, Md., which provides facilities and services for many scientific investigations carried on by various agencies of the Department.

The Agricultural Research Administrator has the responsibility for coordinating all research work of the Department (other than economic) and administers specific related programs such as:

1. Research and Marketing Act.
2. Federal research program on agricultural problems of Alaska.
3. Research on strategic and critical agricultural materials.

The staff included on November 30, 1950, 72 employees in Washington and 358 full-time and 56 part-time employees engaged in field activities, located principally at Beltsville, Md., and in Alaska.

	Estimated, 1951	Budget estimate, 1952
Appropriated funds:		
Salaries and expenses	$587,500	$587,000
Working capital fund, Agricultural Research Center	300,000	
Research on agricultural problems of Alaska	280,000	280,000

Office of administrator

Appropriation Act, 1951	$600,000
Reduction pursuant to sec. 1214	−5,000
Activities transferred in 1952 estimates to "Salaries and expenses, Office of the Secretary of Agriculture," for employee health services at the Agricultural Research Center	−7,500
Base for 1952	587,500
Budget estimate, 1952	587,000
Decrease (to provide a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation)	−500

Project statement

Project	1950	1951 (estimated)	Decrease (GSA adjustment)	1952 (estimated)
1. Administration and over-all direction of the Agricultural Research Administration	$363,130	$351,000	−$400	$350,600
2. Supervision of maintenance, operation, and furnishing of facilities and services at the Agricultural Research Center	252,228	236,500	−100	236,400
3. Replacement of granary buildings and inventory destroyed by fire	148,009			
Unobligated balance	5,673			
Total available	769,040	587,500	−500	587,000
Transfer in 1951 estimates from "Research and Marketing Act of 1946, Department of Agriculture"	−204,347			
Transfer in 1952 estimates to "Salaries and expenses, Office of the Secretary of Agriculture"	+7,307	+7,500		
Reduction pursuant to sec. 1214		+5,000		
Total appropriation or estimate	572,000	600,000		

Over-all Statement of Funds

Dr. Cardon. I believe it has been customary in the past for us to submit for the record at this time, Mr. Chairman, an over-all tabulation of appropriations by bureaus for ARA.

Mr. Whitten. We will be glad to have that at this time.

I ask it be inserted in the record at this point.

(Information referred to follows:)

Estimated available appropriations, 1951, and budget estimates, 1952

Appropriation item	Estimated available, 1951 [1]	Budget estimates, 1952	Increase (+) or decrease (−), budget estimates compared with estimated available, 1951			
			Total	Nonrecurring items eliminated	GSA adjustment	Program changes
Office of Administrator	$587,500	$587,000	−$500		−$500	
Working capital fund, Agricultural Research Center	300,000		−300,000	−$300,000		
Research on strategic and critical agricultural materials	399,000	700,000	+301,000	−50,000	−500	+$351,500
Research on agricultural problems of Alaska	280,000	280,000				
Office of Experiment Stations:						
Payments to States, Hawaii, and Puerto Rico	12,416,208	12,453,708	+37,500			+37,500
Salaries and expenses	407,500	400,000	−7,500	−24,950	−230	+17,680
Total, OES	12,823,708	12,853,708	+30,000	−24,950	−230	+55,180
Bureau of Human Nutrition and Home Economics	1,483,100	1,482,500	−600		−600	
Bureau of Animal Industry:						
Animal research	3,528,200	3,539,400	+11,200		−3,400	+14,600
Animal disease control and eradication	7,907,300	7,868,000	−39,300		−29,300	−10,000
Marketing agreements, hog-cholera virus and serum	[2] 49,300	49,300	+49,300			+49,300
Meat inspection	12,799,600	13,393,300	+593,700		−6,300	+600,000
Total, BAI	24,235,100	[3] 24,850,000	+614,900		−39,000	+653,900
Bureau of Dairy Industry	1,589,500	1,589,000	−500		−500	
Bureau of Agricultural and Industrial Chemistry	7,970,000	7,967,000	−3,000		−3,000	
Bureau of Plant Industry, Soils, and Agricultural Engineering:						
Plant, soil, and agricultural engineering research	10,695,350	10,636,400	−58,950	−185,000	−22,850	+148,900
National Aboretum	148,650	148,600	−50		−50	
Total, BPISAE	10,844,000	10,785,000	−59,000	−185,000	−22,900	+148,900
Bureau of Entomology and Plant Quarantine:						
Salaries and expenses:						
Insect investigations	4,061,300	3,908,000	−153,300		−18,300	−135,000
Insect and plant disease control	4,834,500	4,760,000	−74,500	−23,500	−26,000	−25,000
Foreign plant quarantines	2,388,500	2,667,000	+278,500		−6,700	+285,200
Total, salaries and expenses	11,284,300	11,335,000	+50,700	−23,500	−51,000	+125,200
Control of emergency outbreaks of insects and plant diseases	2,100,000	2,063,000	−37,000		−37,000	
Total, BEPQ	13,384,300	13,398,000	+13,700	−23,500	−88,000	+125,200
Total, Agricultural Research Administration	73,896,208	[3] 74,492,208	+596,000	−583,450	−155,230	+1,334,680
Summary:						
Research:						
Grants (payments to States)	12,416,208	12,453,708	+37,500			+37,500
Contracts	577,000	577,000				
Direct work	30,509,900	30,298,290	−211,610	−559,950	−49,340	+397,680
Total, research	43,503,108	43,328,998	−174,110	−559,950	−49,340	+435,180
All other (control regulatory, etc.)	30,393,100	[3] 31,163,210	+770,110	−23,500	−105,890	+899,500
Total	73,896,208	[3] 74,492,208	+596,000	−583,450	−155,230	+1,334,680

[1] 1951 figures include all supplemental appropriations to date, exclude reductions pursuant to sec. 1214 of the General Appropriation Act, 1951, and are adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates.

[2] Financed in fiscal year 1951 by transfer from the appropriation made by sec. 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933.

[3] Excludes estimate of $32,700,000 to reimburse Commodity Credit Corporation for funds advanced in 1950 for control and eradication of foot-and-mouth and other contagious diseases of animals.

Dr. CARDON. I think, Mr. Chairman, in my statement this morning I covered the essential or a great many activities of the Office of Administrator. Our estimates this year are without change over last year, and I have no further general statement to make.

FUNCTIONS AND ORGANIZATION OF OFFICE OF ADMINISTRATOR

Mr. WHITTEN. I agree with you thoroughly that your general statement did cover this activity. However, I would like to know briefly how your office is set up, how many people you have here, how many folks you have in the field, and things of that sort. Just how is your office run, Doctor?

Dr. CARDON. I can make a statement on that in general. If it comes down to details of actual personnel I will ask Mr. Struttmann to follow through.

We have in the office besides the Administrator and Deputy Administrator an assistant administrator on program, and then working with him particularly on the natural sciences, a special assistant who works with the assistant for program, and we have another one working on the marketing angle.

We have what we call research coordinators who have multiple responsibilities. First, they work with the Assistant Administrator on programing, and project structure and project program analysis.

They also serve as executive secretaries for the respective commodity and functional advisory committees.

On the program-coordinating aspects, they are expected to consider proposals for research in relationship to going activities, and also with respect to interbureau and State-wide relationship to the proposals.

That material having been reviewed and having been brought to a stage of completion finds its way into our project files, our project inventory.

We have a small two-man crew working on program analysis. Out of their work came largely the chart material which I presented this morning.

DUTIES OF EXECUTIVE SECRETARIES TO ADVISORY COMMITTEES

The task of working with the advisory committees falls largely upon about six of our coordinators and the responsibilities with the twenty-odd committees are divided among those men, and their service to the committees consists of the formulation, with the chairman of the committee, the tentative agenda for the meetings. They work also with members of the committees in transmitting to them information which is pertinent to the commodity, or the function with which the committee is concerned in advance of the committee meeting.

They also make arrangements for the meeting as to time and place in conformity with the express desires of the committee.

In the convening of the committee the executive secretary sits with the chairman, who is a member of the committee and elected by the committee, in considering the tentative agenda, arriving at any suggestions, additions, revisions, or amendments to the agenda and when finally adopted the agenda serves as the basis for the committee meeting.

The executive secretary then makes whatever arrangements are required for contacting, inviting into the committee any member of

our staff who has something to contribute to whatever points on the agenda their attention may be invited.

The executive secretary keeps these persons alerted to respond to the interests of the committee. He keeps a record of the deliberations of the committee, makes particular note of the recommendations of the committee, calls those recommendations to my attention and to the attention of other staff members and then during the interim between meetings keeps in touch with the committee, submits them reports of progress in relationship to the work with which they are interested.

OTHER ACTIVITIES OF THE ADMINISTRATOR'S STAFF

In addition to these persons who work with the committees and on the coordinating program development and analysis, we have one man who works on a liaison assignment as between my office and other agencies of Government, particularly in fields where research is of concern.

We have a great deal also to do from a technical standpoint with such agencies as FAO, OFAR, and other organizations interested in technical assistance outside of this country, as well as advice and guidance with respect to visitors and trainees and contact persons coming into this country under their respective governmental programs.

In addition, we have the fiscal matters pertinent not only to our offices but to all of the bureaus in the organization, which is headed up under an Assistant Administrator who works with the fiscal operational people of the different organizations, or different agencies. We have, of course, supporting that budget and personnel relationships general over-all policy relationships.

We have also in our offices as an Assistant Administrator, the Chief of Office of Experiment Stations, who sits with us in relationship to general policy determinations.

As to contact with the bureaus of the organization, we have, first, what I call this program board, which consists of the chiefs of the bureaus of ARA, plus the Assistant Administrators. In addition to that we have meetings once a month of what I will call my research council, which consists not only of the chiefs of bureaus of ARA, but also the responsible heads of research in forestry, BAE, PMA——

Dr. SHAW. And SCS.

Dr. CARDON. And SCS; yes.

That, Mr. Chairman, is a brief outline of the type of organization.

PERSONNEL IN OFFICE OF ADMINISTRATOR

Mr. WHITTEN. That was very thorough. With reference to personnel, how many people do you have now in your whole organization and how many do you contemplate? I presume about the same number for the coming year?

Mr. STRUTTMANN. It is probably best to work from the green-sheet material in the budget. This shows 67.9 average annual positions in 1951 and 65.7 average annual positions in 1952. That is under both salaries and expenses, and the allotment from title II.

Mr. WHITTEN. Mr. Stigler?

Mr. STIGLER. No questions.

Mr. BATES. No questions.

WORKING CAPITAL FUND AND REPLACEMENT OF GRANARY BUILDING

Mr. WHITTEN. There are two or three other items of interest here. At the center in Beltsville, we had to replace a building which burned a year or two ago, and we also made a change last year in your operation by giving you a working-capital fund. How has that worked out?

Mr. CARDON. I think Mr. Struttmann can respond to that, Mr. Chairman.

Mr. STRUTTMANN. I understand the working-capital fund is operating very satisfactorily. It provides a much more convenient mechanism for financing reimbursement operations at the Center. Prior to this working-capital fund, it was necessary to bill the bureaus in advance at the beginning of the year for those items that could be forecast. That necessitated numerous adjustments, both within appropriations and projects, as the year went on. The new working-capital fund provides that it is unnecessary to bill anything in advance. In other words, the amount to be billed is definite at the time the bill is rendered. It is a much more businesslike way of operating.

Mr. WHITTEN. Have you replaced the buildings that were destroyed by fire about a year ago?

Mr. STRUTTMANN. Yes, sir. That work has been completed.

Mr. WHITTEN. You were able to do that within the funds allotted?

Mr. STRUTTMANN. Yes, sir. There was a small balance of $1,991 out of the $150,000 allotted.

Mr. WHITTEN. Any questions, Mr. Anderson?

Mr. ANDERSON. No questions at this time, Mr. Chairman.

Mr. WHITTEN. If there are no questions, then we will proceed to the next item, which is research in agricultural problems of Alaska.

Mr. CARDON. I should like, Mr. Chairman, to have Dr. Fracker handle that, if he will, please.

RESEARCH ON AGRICULTURAL PROBLEMS OF ALASKA

WITNESSES

DR. P. V. CARDON, RESEARCH ADMINISTRATOR
DR. S. B. FRACKER, ASSISTANT TO ADMINISTRATOR, AGRICULTURAL RESEARCH ADMINISTRATION
DR. H. C. KNOBLAUCH, ASSISTANT CHIEF, OFFICE OF EXPERIMENT STATIONS
E. L. STRUTTMANN, BUDGETARY AND FISCAL OFFICER, AGRICULTURAL RESEARCH ADMINISTRATION
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$675,000	$280,000	$280,000
Unobligated balance, estimated savings	−13,544		
Total obligations	661,456	280,000	280,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Research on agricultural problems of Alaska	$261,565	$280,000	$280,000
2. Building program	399,891		
Total obligations	661,456	280,000	280,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	25	44	44
Full-time equivalent of all other positions	9	7	7
Average number of all employees	27	39	39
01 Personal services:			
Permanent positions	$69,536	$126,500	$130,760
Part-time and temporary positions	33,933	24,000	24,000
Regular pay in excess of 52-week base	400		740
Payment above basic rates	14,596	29,000	30,000
Payments to other agencies for reimbursable details	9,775	3,000	3,000
Total personal services	128,240	182,500	188,500
Deduct charges for quarters and subsistence	364	4,000	4,000
Net personal services	127,876	178,500	184,500
02 Travel	17,310	16,000	16,000
03 Transportation of things	18,005	9,000	9,000
04 Communication services	1,938	2,500	2,500
05 Rents and utility services	6,723	11,000	11,000
06 Printing and reproduction	239	5,000	7,000
07 Other contractual services	2,223	4,000	4,000
Services performed by other agencies	305	1,000	1,000
08 Supplies and materials	40,621	32,800	24,600
09 Equipment	60,281	20,000	20,000
10 Lands and structures	385,935		
15 Taxes and assessments		200	400
Total obligations	661,456	280,000	280,000

Mr. WHITTEN. I would like to have page 78 of the justifications inserted in the record at this point.

(The statement referred to follows:)

Research on agricultural problems of Alaska

Appropriation act, 1951	$280,000
Budget estimate, 1952	280,000
Change	

Project statement

Project	1950	1951 (estimated)	1952 (estimated)
1. Research on agricultural problems of Alaska	$261,565	$280,000	$280,000
2. Building program	399,891		
Unobligated balance	13,544		
Total appropriation or estimate	675,000	280,000	280,000

Mr. WHITTEN. Dr. Fracker, we will be glad to hear from you now.

Dr. FRACKER. This item relates to the Federal share of the agricultural research program that is carried on jointly by the United States Department of Agriculture and by the University of Alaska, a Territorial institution.

The committee will recall that this work in its present form was established about 2 or 3 years ago on the initiative of the committee in order to increase the production of food and farm crops in this strategic territory.

The item concerned is an item of $280,000, and no increase is proposed in the Federal share in this program in 1952. Some growth will, however, be provided for in this joint program by a proposed increase of $37,500 in Federal-grant funds under the Adams and Purnell Acts, which was authorized by the Eighty-first Congress in Public Law 739.

That increase is carried under the item for the Office of Experiment Stations, and accordingly, will be discussed by a representative of that Office who will come before the committee later this afternoon or tomorrow.

It was clear, the committee will recall, that Alaska during World War II constituted both a vulnerable point from the standpoint of the possibility of invasion of the United States territory from outside, and also, a strategic area of great value as an outpost for offensive and defensive military action.

POPULATION OF ALASKA

The new census figures, which have now been available for several months, indicate an increase in the permanent population of Alaska from 72,000 in 1939 to 126,661 in 1950, an increase of over 70 percent.

Alaska residents are still importing a large proportion of their food supplies. That is true both of the local permanent civilian population and the military.

Mr. ANDERSEN: Might I ask at that point, Mr. Chairman, can you break that population down into the whites and what we know as the Eskimo group?

Mr. FRACKER. There are about 25,000 Indians and Eskimos who constitute the native population, so that the total of the white population is about 101,000.

Mr. ANDERSEN. Thank you, sir.

Mr. FRACKER. In this connection, a breakdown is also significant between southeast Alaska, the islands along the west coast, and the so-called interior or the main body of Alaska, since Alaska agriculture does not produce food for southeastern Alaska to any large extent.

The increase referred to, however, was almost entirely in the second, third, and fourth divisions, which constitute the main body of Alaska.

The third division, that is, the one in which Anchorage is located constituting the south half of the main body of Alaska, increased from 19,000 in 1939 to 58,000 in 1950.

There was a similar increase in the fourth division.

Mr. WHITTEN. I believe I will ask that pages 80 and 81 be inserted in the record at this point to show examples of recent progress in research in Alaska. I know it will be of general interest.

(The information referred to follows:)

EXAMPLES OF RECENT PROGRESS IN RESEARCH

1. Alaska soil survey progressing. During 1949 soil classification was extended to 29,440 additional acres in the Matanuska Valley and 7,860 acres in the Tanana Valley. These surveys are of the utmost importance to settlers in showing those

areas where agriculture will be profitable, and warning them against settling in sections unsuitable for crop production.

2. Smooth bromegrass has been found so clearly superior to other forage grasses that it is the only perennial grass being generally recommended for Alaska forage. It is being extensively planted for pasture, hay, and silage.

3. Fertilizing bromegrass with nitrogen has been found to raise the protein content to such an extent that farmers find it more profitable to grow protein-rich forage, particularly when used as pasture, than to purchase grain feeds.

4. Field trials of grain crops have already made possible the publication of concrete recommendations to farmers on cereal varieties, forage crop production, and the use of fertilizers.

5. Edda barley and Siberian-3 oats are to be released to Alaskan farmers for the 1951 crop season, after successful tests in Alaska this summer and multiplication of the seed through contracts with seed growers in Montana and Idaho.

6. Potato tests have shown that certain new crosses and standard varieties (Pawnee and Sequoia) gave greater yields in Alaska than the varieties commonly grown there in the past. It was also found that the table quality of the potatoes can be improved by modifying fertilizer and storage practices.

7. The outstanding performance of northern hybrid and Spartan hybrid tomatoes and of Highmoor and Delcrow cucumbers under glass has led several growers to select them for production in the own greenhouses during the coming year.

8. Raising cows in Alaska has been found much cheaper than shipping them in. Bull calves can be fed skim milk powder and at 6 months of age are worth more for beef than it costs to raise them. Practically all calves produced in the dairy sections of Alaska are accordingly now being raised, the heifers for milk production and the bull calves for meat.

9. In the dairy-breeding program, the first crossbred heifer calves are now available for trials of milk production.

10. Feeding experiments have shown that silage is more productive (per dollar of cost) than hay—3,200 pounds of milk per acre of hay, 4,000 pounds per acre of silage.

11. Extra light in dairy barns in the long Arctic winter tended to result in an increased calf crop, but did not seem to affect milk production appreciably.

12. Losses of mink from diseases have been reduced by diet changes. When mink kits less than 12 weeks old are fed rations having a high salmon content, many die from "yellow fat" disease. Excluding salmon from the diet until the mink are older has stopped such losses.

Mr. WHITTEN. What is the underlying basis for handling this matter as Federal research in Alaska, as against handling it through the experimental station entirely?

Mr. FRACKER. It has been anticipated since the time of the task force report in 1946 that this work would eventually be handled directly through the Territorial experimental station.

Mr. WHITTEN. The present arrangement comes from the prior difficulty we had. For the time being, you are giving close supervision to be certain it is handled in accordance with the viewpoint of the Department rather than to permit it to become a farming operation for the University of Alsaka; is that it?

Mr. FRACKER. It is being handled directly in the Administrator's office now, in order to build up the station staff and the buildings into a substantial functioning joint program of research.

Eventually, we presume it will be operated in the same manner as the State agricultural experiment stations.

BUILDING PROGRAM

The committee will doubtless be interested in the building program. Under 1949 and 1950 appropriation acts, $715,000 was provided for building a center of operation at Palmer, and for some additional buildings that were needed on the experimental farms.

The last of these buildings are approaching completion at the present time. On account of increasing costs, it was necessary to make some modifications in the proposed program; but we were able, on the appropriation as it stood, to build and purchase 8 of the 11 proposed housing units, and all of the research laboratories and facilities that had been proposed, with the exception of a small laboratory office building at Fairbanks and a small greenhouse at Fairbanks. The Territory, through unfreezing certain funds that they had frozen during their financing difficulties, made available some building funds, so that the laboratory facilities that were proposed at Fairbanks have been partially taken care of.

The Federal building program has been completed, and no further estimates for federally financed buildings are contemplated at this time.

Research Staff in Alaska

Mr. Whitten. The folks doing the work up there have all been selected and appointed subject to your approval—have they not?—and are working in close cooperation with the research group here?

Mr. Fracker. That is correct. The Department of Agriculture is quite proud of the quality and competency of the staff that we have been able to obtain up there. The director of the station is under joint appointment, with his salary derived partly from this appropriation and partly through experiment-station funds, and the same thing is true of the heads of all the departments. They are all able and experienced men, and are developing their programs in a way that is very satisfactory to the Department, as indicated by the progress comments that have been inserted in the record.

Self-Sufficiency of Alaska in Production of Food

Mr. Horan. Have you any statistics whatsoever on the percentage of self-sufficiency that exists in Alaska, compared to prior years?

Mr. Fracker. Self-sufficiency of the farms themselves?

Mr. Horan. No; of the whole society of Alaska.

Mr. Fracker. On a percentage basis, it probably has not increased because the population has been increasing faster than the cleared land, but on a total basis of the production it has definitely been increasing in milk, potatoes, and grain. The prospects for the dairy industry are particularly good, because of the research results with respect to feeding, the use of light, and the production of forage crops.

The degree of self-sufficiency as reported in previous hearings was an importation of approximately 85 percent of the food supply that was used in Alaska by both the military and civilian, and I have no basis on which I could modify that figure to bring it up to date.

Mr. Horan. The action of this committee, of course, was predicated upon the feeling that we were behind in the field of effective research and that, therefore, an entirely new approach as a matter of basic research philosophy should be had up there and for that reason the committee took this entire experimental station away from the local management and insisted on the Department trying to fix the work being done at the experimental station to the needs of the area.

Do you have anything to report on that, aside from these rather sketchy, I think, reports on research progress here?

Nature of Present Research Program

Mr. Fracker. I will be glad to go into the individual projects at greater length if the committee wishes. I have the further information here.

With respect to the entire new approach, it was necessary to begin at the foundation, the soil. Little—almost nothing—was known about the soil capabilities, the individual locations and details of where the soils promised to be profitable for agriculture and where they were not.

Accordingly, a soil survey was instituted and 1950 was its third year of progress. It is showing the local farmers and the homesteaders who are coming into the areas where it is most practicable and most profitable for them to settle and to clear.

An economic survey was also started at that time for the first time, enabling the farmers to determine the general experience of the other settlers in the area, as to which operations were profitable and promising and which ones did not offer as much opportunity for going ahead.

Increasing agricultural production in a frontier area such as Alaska is necessarily a slow process, particularly where land clearing is essential. With the new information on profitable areas that can be farmed and profitable ways of farming, progress is being made on land clearing as rapidly as it can be financed through the resources of the local people and through such limited loan facilities as the Federal Government has provided.

Productive Area in Alaska

Mr. Horan. Would you refresh my memory. At the time when we took action on this subcommittee we had an extensive survey made of Alaska, its existing agricultural productive area and its possible potential.

I believe there were three or four areas where there were possibilities; isn't that right? What was the total of the land in use agriculturally in Alaska at the time we made the study?

Mr. Fracker. About 10,000 cleared acres.

Mr. Horan. What has been done to expand that, or to find new lands that might have possibilities?

MOST SUITABLE AREAS FOR FARMING

Mr. Fracker. The best prospects, so far as found by the experiment station now, are in expanding the extent of cleared lands in the four most promising areas: the Matanuska Valley, the Tanana Valley around Fairbanks, the area near Anchorage in the Susitna Valley, and the area in the Kenai Peninsula, along the west side of the Kenai Peninsula. The cleared acreage has now increased to about 12,500 acres.

The surveys have shown that it is practicable and worth while to develop all these four areas of fertile land. There are other fertile areas which cannot now be developed in any practicable way on account of the lack of transportation facilities.

POTENTIAL SELF-SUFFICIENCY OF ALASKA

However, the surveys of the economics department of the experiment station, which were referred to before, indicated that it will not be necessary to farm isolated areas, outside those that are now accessible, in order to provide for the present population.

Mr. HORAN. You say it will not be necessary because of the existing population to get into those areas which are not accessible?

How do you justify that statement in the light of the fact that somewhere in excess of 75 percent of the sustaining food has to be shipped in?

Mr. FRACKER. Over 80 percent of the food of Alaska can be produced in the Territory when sufficient land is cleared and when certain agricultural problems are solved. There will probably also always have to be certain amounts of food shipped into Alaska, because there are certain types of crops that can best be shipped in—citrus fruit being the type of thing that is an obvious example—just as some foods are continuing to be imported into the United States, such as coffee.

There is room for such substantial expansion in these four areas that it is believed by the economists that these four areas can be expanded very largely to take care of the present population.

Mr. HORAN. In those foodstuffs which can be grown in Alaska?

Mr. FRACKER. That is right.

Mr. HORAN. Did I hear you say there were 12,000 acres in productive agricultural use at the time this subcommittee took its action?

Mr. FRACKER. 12,500 are cleared at the present time. The increase during the last year has been about a thousand acres.

SOIL SURVEY

Mr. HORAN. Now, your figure here of 29,440 acres in the Matanuska Valley, that is just merely classified.

Mr. FRACKER. That is not cleared land, but land covered by the soils survey that year.

Mr. HORAN. It is presumably worth clearing; is that right?

Mr. FRACKER. That is the amount covered by the soil survey for 1949. It covers all of the acres studied, regardless of their usefulness. That is a report on the area covered by the soil survey that year.

As you extend the soil survey from the original center, you, of course, include within the boundaries of the soil-survey area many areas that you find are sandy and swampy, and that particular figure is the report for this year as to the soil-survey coverage.

Mr. HORAN. Of that reclassification, what proportion is considered useful?

Mr. FRACKER. I have not that figure.

Mr. HORAN. Do you have it?

Dr. KNOBLAUCH. No, I don't have a specific figure but I would imagine that not more than one-fifth is potential farm land. I would rather hesitate to venture an estimate on it.

Mr. HORAN. You see, our only purpose here in this committee is to increase our knowledge as to where the useful land is, and to find crops that will grow on it, and that is why I am interested in this.

I am interested in Alaska because I live in a neighboring area.

Mr. FRACKER. I will be glad to obtain from the Soils Department the information as to the proportion they are finding of agricultural value in the surveyed areas they have been working in.

(The information requested follows:)

The surveyed areas include within their gross boundaries large tracts of mountainous and rough valley land. Information on 317,510 acres, covered cooperatively by the Alaska Experiment Station and Soil Conservation Service in the Matanuska Valley, showed 18.7 percent suitable for farms and pasture and 81.3 percent not suitable for farming operations.

OBJECTIVES OF RESEARCH PROGRAM

Mr. HORAN. You see, if we don't find that out, we are missing the boat on research in Alaska, and if we are going to surrender to the fact that we are going to have to ship in everything that is consumed in south Alaska, or a huge proportion of it, why, we had better revise our estimates of things to do in Alaska, and I am not convinced at all that the self-sufficiency of Alaska can't be increased above 35 percent, basing my judgments on success in Sweden and the Scandinavian countries, each of which is very similar, and even what has been done in certain parts of British Columbia, which I understand is much more successful than what we were doing in Alaska.

Mr. FRACKER. We are fully in agreement with you on that, Mr. Horan. We believe that agriculture in Alsaka can develop to a point where 80 to 90 percent of the food consumed is produced locally.

EXAMPLES OF EFFECTIVE RESEARCH

Mr. KNOBLAUCH. With your permission, Mr. Chairman and Mr. Horan, we might give an example from one very difficult problem in connection with forage production. It is an expensive and difficult problem to ship suitable forage to Alaska, and we have in the near past spent considerable efforts on methods of field curing of hay, from the old tripod stand to almost all of the techniques that were used in the Scandinavian countries.

During the past 3 years, research has definitely shown those people that their best bet, from a forage production and utilization standpoint, is the more extensive use of silos, and as a result of these studies, 15 farmers in the Matanuska Valley built silos last year. This is a definite forward step toward increasing their self-sufficiency in forage production.

Another example, on a fundamental research question is illustrated by some teamwork in soils and cereal crop breeding. There was difficulty in producing oats, which is used for forage and silage, and it was easy to find out from the plant symptoms that the oat crop was suffering from manganese deficiency. Experience from the States, on soil levels of manganese was such that the research workers knew the amount of manganese which might be adequate to give a satisfactory oat crop. That was a stop-gap method. And the plant breeders entered the problem saying, "Can we find varieties that have a lower requirement of manganese so as to eliminate the need of applying this element. The last 2 years have shown that Gopher oats will grow under Alaskan conditions without the need of added manganese. These examples illustrate how research comes into this over-all picture, both the fundamental and the applied phases.

AMOUNT OF LAND AVAILABLE FOR CLEARING

Mr. ANDERSEN. Mr. Chairman, a thought comes to my mind, a little bit disturbing, as a result of this conversation. I had never realized before that there was so comparatively little good agricultural land actually under operation in Alaska. You say only 12,000 acres?

Mr. FRACKER. That is the number of acres that have actually been cleared. The amount within the boundaries of the farms is much greater. The total potential agricultural land of Alaska, as reported by the task force, is at least a million acres. There have been estimates——

Mr. ANDERSEN. That puts a different picture on it. You have about a million acres that you can work toward improving or developing into good agricultural land.

Mr. FRACKER. That is correct.

Mr. ANDERSEN. Otherwise I would say we are spending entirely too much money, Federal money, going up there and trying to improve that as an agricultural economy.

Mr. HORAN. That is what disturbed the subcommittee. That is the reason we took such drastic action.

Mr. FRACKER. A million acres is conservative. In the original reconnaissance figures, figures have been published running into some 60 million acres, which were judged by the original people interested in the development of the territory. This was cut down by later studies, and the task force in 1946 made a very careful analysis of the situation and viewed the areas that seemed to offer some potential themselves. They reached a conclusion that about a million acres of good agricultural land was available for development.

OBJECTIVES OF RESEARCH PROGRAM

Dr. CARDON. May I just add a word, Mr. Chairman? I think it is entirely in line with the thinking of the committees, that it is important in Alaska to develop as far as possible in the direction of all potential land from the double standpoint: first of being able, as far as practicable, to contribute toward the food supply of civilians, which is really the major thing, not only from the standpoint of sustaining them in normal times, but all the more critical in the time of emergency that as far as possible the civilian population would be in a position to be self-sustaining on the food basis so that they would not complicate the other activities.

We are trying to stay on the conservative side of the actual land possibility there, simply because we would like to be guided by the best information we can get and the facts we can get and not be contributing to over-population by offering inducements for settlement there without some basis on which that could be encouraged, so we are on the conservative side.

Mr. ANDERSEN. Doctor, how much money do we spend in Alaska each year in an effort to help the agricultural economy?

TOTAL COST OF ALASKA RESEARCH PROGRAM

Dr. CARDON. What is the total figure there?

Mr. STRUTTMANN. The total estimate for 1952 is approximately $570,000 of which $170,000 would come from the Territory's funds and from sales, and slightly less than $400,000 would come from the Federal Government, including the grants.

Mr. ANDERSEN. $570,000; and today there are only 12,000 acres of actual good agricultural land under operation, or being tilled?

Dr. CARDON. Cleared and tilled, as I understand it.

Mr. FRACKER. Cleared; yes, sir.

Mr. ANDERSEN. Now in Minnesota, you could buy a lot of good first-class land for $570,000.

Dr. CARDON. I agree with you, sir.

JUSTIFICATION FOR RESEARCH FUNDS

Mr. ANDERSEN. What is the answer? Do you think possibilities in the future are such as to justify our expenditure of this money each year for a few years to come? Is that it, Doctor?

Dr. CARDON. That is my belief.

Mr. ANDERSEN. That is the only way you could come here and ask for this money. There has to be possibilities ahead.

Dr. CARDON. That is right.

Mr. ANDERSEN. Otherwise it does not give us any good reason to allow $570,000.

Mr. HORAN. The committee was convinced at the time the action was taken to almost create a wardship for this experimental station under the supervision of the Federal Government, that the agricultural potential of Alaska was not being developed and that the experimental station was not an experimental station. It was a supply farm for the University of Alaska.

I am sorry to have to review this at this time, but that was the reason the committee acted, and if we did not act with good judgment, why we should not have acted at all. It was a rather drastic step, I admit.

Now, I want to know, since we have restored the station to the Territory, just what is going on, and that is the reason for my questioning. I would like to see the time when Alaska is at least out of the woods, economically, and that will require the production of those things which are not transportable easily, and that, of course, involves forage crops in the shape of baled hay, and so forth, and that is why I am anxious to know what sort of progress you are making. I would like to have these gentlemen have the privilege of making a statement on this, Mr. Chairman, if it will not take up more than a page or so of the hearings, so as to know just what direction we are moving in this regard, because Alaska, as we all know, is a very, very important outpost of any political or military frontier that we might have.

Mr. WHITTEN. We will be glad to have any enlargement of the statement showing what activities you have had there, as well as any

conclusions that you may have already reached as to what the future holds.

(The information requested follows:)

STATEMENT OF RESEARCH PROGRESS

At the present time only about 15 percent of the food requirements of the Territory are produced on Alaska farms but it is the opinion of technicians that Alaska is capable of producing 80 to 90 percent of its own requirements for agricultural products. The following are examples of the progress made by the Alaska Experiment Station in increasing agricultural production.

BETTER FORAGES

Livestock production in Alaska can be greatly increased when methods of carrying cattle through the long winter period without importing feed are worked out. The Alaska Station has made excellent progress in solving this problem through its forage crops program.

The standard forage in most areas of Alaska has been a mixture of oats and peas. No perennial legumes have yet been developed which are completely winter-hardy under the severe weather conditions of the interior. The normal practice has been to utilize oats and peas in the form of hay but often unfavorable weather makes field-curing difficult or impossible and a low grade of forage is produced. Barn-curing is possible and produces a much better grade of hay but the expense of this type of preservation is beyond the means of the average farmer. The Matanuska station has shown that ensiling is a much cheaper and more convenient method of preserving oat-pea mixtures than is barn-curing and also a much better type of forage than field-cured hay is produced. The following table summarizes the work for 1948–49:

	Kind of roughage		
	Field-cured hay	Barn-cured hay	Silage
Loss of dry matter per acre.....pounds..	708	245	113
Milk production per acre.....do....	3,148	3,110	4,056
Cost of harvesting and processing.....per ton..	$17.62	$19.19	$3.84
Cost of winter roughage for a 15-cow herd.....	$743.00	.....	$370.00

This study has resulted in the construction of 15 new silos in the Matanuska Valley during the past year.

Tests of smooth bromegrass at the Matanuska and Fairbanks stations have shown that this grass has a great advantage over oats and peas because of its perennial nature. Furthermore, mature stands of bromegrass are not damaged by cutworms as oats and peas are and its early rapid spring growth makes possible the production of good hay by late June or early July, a time of normally favorable weather. Second cuttings made during the fall rainy season can be used for silage. In the past bromegrass was not very popular in Alaska because it will not do well without fertilization.

The value of bromegrass was shown by a 1949 field trial at the Matanuska station. An old abandoned field of bromegrass was treated with 200 pounds per acre of ammonium nitrate. By June 27 the bromegrass was about 32 inches high while many oat-pea crops were only 8 inches high. The total costs for processing and preserving this roughage was $16.36 per ton as field-cured hay, $21.30 per ton as barn-cured hay and only $3.66 per ton as silage. Another great advantage of bromegrass over oat-pea forage lies in the fact that an early cutting can be cured in windrows rather than on stakes. These studies are resulting in increased plantings of smooth bromegrass each year.

GREATER YIELDS ON BETTER SOILS

A recent finding of the Fairbanks station is making it possible to produce much greater crop yields on farm lands now in use and on those just being cleared. In many areas of Alaska, low bottom lands have been avoided for cropping purposes, especially in the Fairbanks area. The lowlands dry out later in the spring and planting is delayed. Also the frost-free period is shorter resulting in a shorter

growing season. Work at the Fairbanks station shows that large cleared areas stay free from frost longer than small closed-in areas, due largely to unimpeded air movement. Grain and row crops, as well as forage crops, have been matured sucessfully in such large cleared areas. Crops are more uniform on the deeper, more fertile bottom soils and the yields are higher than those obtained on the shallower hillside soils. This finding will be of great value to the homesteader who is just beginning clearing operations.

HIGHER PRODUCTION THROUGH TESTED VARIETIES AND FERTILIZER TRIALS

Variety trials conducted by the Alaska Experiment Station have resulted in the recommendation of better yielding varieties of field crops. At the present time, Gopher oats and Olli barley are recommended for grain and Khogot wheat has been found to be the best adapted variety. White Canada, Chancellor and Alaska field peas are recommended and common spring vetch is recommended for seeding with oats for hay. Of the grasses, smooth bromegrass has been found to be superior to other types. It is drought resistant, winter-hardy and long-lived under most Alaska conditions.

Fertilizers have been tested on mineral soils and recommendations have been made regarding the best ratios for field, truck, and garden soils. Most mineral soils in Alaska are deficient in organic matter and nitrogen and most are low in phosphates.

EXPANDED DAIRY PRODUCTION

Marked increases in dairy products have occured in Alaska in the past few years. Much of this increase is being brought about by the development of improved dairy management practices at the Alaska Experiment Station.

Importing heifers or producing cows is very expensive and most dairymen in Alaska are now raising all of the heifer calves produced in their herds. A feeding test at the Matanuska Station shows that calves can be raised economically using skim milk and Alaska-grown grains. Calves on skim milk gained 1.22 pounds per day while those on whole milk gained 1.13 pounds per day. Those on whole milk made better gains up to 90 days of age but after that the calves on skim milk made more rapid gains. Feed costs for the skim milk group were 28 percent lower than those for calves fed whole milk.

Tests at the Fairbanks Station indicate that supplying dairy cows with artificial light during the short days of winter results in a greater number of heat periods and better conception.

Mr. WHITTEN. It is a fact, too, that the Appropriations Committee does not have to recommend any appropriation, not even interest on the debt. It might be pointed out that Alaska comes under the general acts which provide for payments to States and Territories, and if appropriation is made for other areas, Alaska would be entitled clearly to its share of the appropriation under those acts. It was a most drastic action on the part of this committee to hold up the appropriation a few years ago. I think the facts justified committee action, and subsequent events have proved the wisdom of the action, which was taken when one of our other colleagues was chairman of this committee.

FUTURE POSSIBILITIES FOR SELF-SUFFICIENCY

Mr. FRACKER. If anything I said left the impression that we felt that Alaska would need to continue to import 85 percent of its food supply indefinitely, I would like to correct that impression, because that was not intended. It is our belief that a very large percent of the feed and food of Alaska can be raised in the Territory itself and that the only things that will need to be imported will be certain things that are not adapted to the climate.

Meat and dairy products have constituted a very large percent of the materials imported, and as indicated by Dr. Knoblauch a few

minutes ago, one of the reasons for that was that their supplies of forage did not make either meat or dairy cattle a particularly attractive proposition. There is a long winter, and it was necessary to import large quantities of forage and roughage.

The Agronomy Department, during the past 2 or 3 years, has found that the forage situation can be very greatly improved by the introduction of brome grass, which they were not using before, and they have taken steps in the long-range program for the development of a legume that will be satisfactory. At present Siberian alfalfa is the only legume that is surviving the winter, and in its present form it is not quite fully satisfactory as a forage crop. It needs a certain amount of breeding and crossing with Grimm alfalfa, which is also a cold resistant alfalfa.

Mr. HORAN. Has not 90-day wheat been grown up in the area near Fairbanks?

Mr. FRACKER. It has.

Mr. HORAN. What is that quick-maturing wheat?

Mr. FRACKER. I do not have the name of the wheat that has been grown up there. We are trying out 60 varieties of wheat in that area along with a hundred varieties of barley and more than a hundred of oats, to find out which are the most productive and the best adapted to the area. We have recommended and already—in spite of the fact that this is only the third year in this particular program—have certain barley and oats varieties into the seed multiplication stage. The seed has been multiplied in the experiment stations of Montana and Idaho, and the results, that is, the resulting yield from the multiplication of the seed is ready for use by the farmers this summer.

GRAZING AREAS

Mr. ANDERSEN. How is the forage situation in the forested areas? Do you have good grass there where sheep and cattle can range?

Mr. FRACKER. The commercial forest, Mr. Andersen, is all in southeast Alaska in the island areas, down north and south of Juneau, from Skagway to Ketchikan. Both the two national forests and the land being developed by the forest Service, are in that general area, and that is the hope for commercial and productive forestry. There is no agriculture in that area whatever except a few gardens and a few small dairy installations near the towns.

The agriculture is being developed in the main body of Alaska outside the southeastern forested area. This large region is not promising for commercial forestry.

Mr. ANDERSEN. You do not have grazing areas, then, as they do in Montana, and the west, in conjunction with the forestry part of the country, do you?

Mr. FRACKER. In the so-called Alaska Peninsula running down toward the Aleutians there are open grazing areas. There is also some on Kodiak Island and in the Kenai area.

Mr. ANDERSEN. In the main body of Alaska there is none?

Mr. FRACKER. In the Matanuska Valley the land is not open grass. Brush and small trees have to be cleared off.

Possibility of Using Greenhouses

Mr. Horan. What is the greenhouse situation?

Mr. Fracker. The greenhouse—you mean experimental greenhouse?

Mr. Horan. Yes.

Mr. Fracker. The greenhouse for which the Federal appropriation is made has not been completed. It was provided for in the appropriation of 1950 and contracted for before the end of the year and is expected to be completed as soon as the weather opens this spring.

Mr. Horan. When you approach Stockholm you think that the whole of that part of Sweden is under glass, and the same thing is true of certain areas in Belgium now where they produce special types of grapes, I guess it is.

Is the possibility of expanding or improving or developing quick-growing crops—I notice you list here Highmoor and Delcrow cucumbers being grown under glass, and some of the growers are developing these varieties in their own greenhouses. Definitely, I would imagine that the perfection of a greenhouse technique in Alaska that would fit her economy and her climate would be one of the things that you will work on when you complete this greenhouse at the experimental station.

Mr. Fracker. That is correct. The current and present population of Alaska is very much interested in being able to grow what it can under glass. It is very common for the settlers and the residents of towns to have enough glass greenhouse space so that they can provide for some of their own needs. Being a frontier Territory the development of commercial glass production is still limited.

Mr. Horan. That is all.

Mr. Whitten. Any further questions?

(No response.)

Mr. Whitten. If not, I believe that will be all.

I certainly thank you, gentlemen.

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

WITNESSES

STANLEY ANDREWS, DIRECTOR, OFFICE OF FOREIGN AGRICULTURAL RELATIONS
FRED J. ROSSITER, ASSOCIATE DIRECTOR, OFFICE OF FOREIGN AGRICULTURAL RELATIONS
ERIC ENGLUND, ASSISTANT DIRECTOR, OFFICE OF FOREIGN AGRICULTURAL RELATIONS
C. E. MICHELSON, HEAD, DIVISION OF ADMINISTRATION, OFFICE OF FOREIGN AGRICULTURAL RELATIONS
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriations or estimate	$587,900	$600,000	$600,000
Unobligated balance, estimated savings	−2,669		
Total direct obligations	585,231	600,000	600,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	103,870	95,000	95,800
Total obligations	689,101	695,000	695,800

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Foreign agricultural production and consumption and its effect on United States agriculture	$279,861	$263,800	$263,800
2. Foreign financial and trade policies and practices affecting United States agricultural trade	145,441	154,300	154,300
3. Representation in international agricultural activities	115,157	131,700	131,700
4. Contacts with United States officials abroad	44,772	50,200	50,200
Total direct obligations	585,231	600,000	600,000
REIMBURSABLE OBLIGATIONS			
2. Foreign financial and trade policies and practices affecting United States agricultural trade	3,606		
5. Other services performed	100,264	95,000	95,800
Total reimbursable obligations	103,870	95,000	95,800
Total obligations	689,101	695,000	695,800

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	163	150	150
Full-time equivalent of all other positions	5	4	4
Average number of all employees	138	133	132
Personal service obligations:			
Permanent positions	$589,578	$602,199	$600,355
Part-time and temporary positions	15,337	11,506	11,000
Regular pay in excess of 52-week base	1,960		2,000
Payment above basic rates	1,300	1,000	1,000
Payments to other agencies for reimbursable details	2,672		
Total personal service obligations	610,847	614,705	614,355
DIRECT OBLIGATIONS			
01 Personal services	507,871	520,355	519,455
02 Travel	10,864	20,850	20,850
03 Transportation of things	5,055	2,500	2,500
04 Communication services	7,228	8,100	7,700
06 Printing and reproduction	43,258	37,386	37,986
07 Other contractual services	3,629	5,100	5,100
08 Supplies and materials	6,950	4,109	3,709
09 Equipment	376	800	1,000
15 Taxes and assessments		800	1,700
Total direct obligations	585,231	600,000	600,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	102,976	94,350	94,900
06 Printing and reproduction	485	500	500
08 Supplies and materials	38	50	100
09 Equipment	371		
15 Taxes and assessments		100	300
Total reimbursable obligations	103,870	95,000	95,800
Total obligations	689,101	695,000	695,800

Mr. WHITTEN. We have come to the Office of Foreign Agricultural Relations. I would like to insert pages 401 and 402 of Volume 2 of the justifications at this point.

(The pages referred to follow:)

PURPOSE STATEMENT

The Office of Foreign Agricultural Relations collects, interprets, and disseminates economic data and other information on foreign production and consumption of farm products. Through systematic, regular and special reports from agricultural attachés abroad (State Department employees) and from specialists on temporary assignment in other countries, and also by exchange of information with foreign governments and international agricultural organizations, the Office obtains current facts that are used to advise American farmers and business firms handling farm products of important developments abroad that affect their interests. Such information is also made available to the Congress, other agencies of government, and United States representatives at international conferences to aid in properly protecting the agricultural interests of the United States on questions of policy.

Other major activities of the Office financed by transfer of funds from other Federal agencies include:

1. The direction of training programs for foreign agricultural leaders brought to this country by the Economic Cooperation Administration to observe American practices and institutions in the field of agriculture. Through the facilities of this Office, other agencies of the Department, and of State land grant colleges and State extension services, trainees are afforded opportunity to gather information for application in their respective countries.

2. Technical collaboration with foreign governments, under which program scientific and technical services are extended to cooperating countries to aid in management of agricultural stations, improve public service in agriculture, and conduct research projects. This program, formerly financed by the Depargment of State under the United States Information and Educational Exchange Act of 1948, is now being carried on pursuant to the Act for International Development (Title IV of Public Law 535, the Foreign Economic Assistance Act of 1950). The headquarters staff is located in Washington, D. C., with technical collaborators assigned to eight cooperative stations and four agricultural missions in Latin America and seven agricultural technical groups in the Eastern Hemisphere.

On November 30, 1950, employment totaled 346, of which number 56 were outside continental United States.

Appropriated funds:

Estimated, 1951	$600,000
Budget estimate, 1952	600,000

Salaries and expenses

Appropriation Act, 1951 and base for 1952	$600,000
Budget estimate, 1952	600,000
Change	

Project statement

Project	1950	1951 (estimated)	1952 (estimated)
1. Foreign agricultural production and consumption and its effect on United States agriculture	$279,861	$263,800	$263,800
2. Foreign financial and trade policies and practices affecting United States agricultural trade	145,441	154,300	154,300
3. Representation in international agricultural activities	115,157	131,700	131,700
4. Contacts with United States officials abroad	44,772	50,200	50,200
Unobligated balance	2,669		
Total appropriation or estimate	587,900	600,000	600,000

Mr. WHITTEN. We are glad to have you with us, Mr. Andrews, and we have many good comments on the work of you, Mr. Rossiter, and the other gentleman here. We will be glad to have your general statement at this time, Mr. Andrews.

RELATIONS WITH THE STATE DEPARTMENT

Mr. ANDREWS. Mr. Chairman, when I appeared last year before this group we had just finished a hearing before Mr. Cooley's committee, the policy making agricultural group in Congress, during which he went into some detail, not only as to what OFAR did to justify itself, but into our relations with State Department and matters of that kind.

There has been, and is considerable concern about Agriculture-State relations, and I wondered, sir, if before I go into the money end of this hearing you would permit me to report on the development of our relations with State Department.

Mr. WHITTEN. We would be delighted to have it. This committee for several years has been concerned over the situation which we felt has kept back the results that we had a right to expect. To a large extent this was because the State Department originally insisted that your field people be primarily State Department employees, and later insisted that their reports to you come through the State Department rather than direct. We do not mean to appear to be in conflict with

Mr. Cooley and the legislative committee, because we work with them very closely, but preceding the hearing of last year complaints were made by this committee to Mr. Cooley to see if he could not go into the problem.

Mr. ANDREWS. That is right. Of course, that hearing was held, and has been published. You are familiar with it. At the time of the Agricultural committee hearing there was an indication at the time by the chairman of the committee, and other members of the committee, that they more or less felt that we should separate the foreign agricultural work from the State Department entirely and set up an independent service.

I will confess that in the little testimony that I gave, I said from a pure bureaucratic standpoint and a pure operating standpoint, it may be easier to obtain the agricultural information and perhaps carry out our obligations to agriculture in this country through a separate service.

I also stated that I felt it would be bad government from a government standpoint that if there was ever a time in our history when we should have unified American representation abroad on economics as well as political and economic matters it is now. It would be better I thought, to handle it administratively as a unified service if we could get the State Department and our department to work it out.

The State Department of necessity makes up its mind reluctantly on such matters. Mr. Cooley says "Draft me a bill and I will introduce it and we will put this thing right." We did draft a bill. The Secretary of Agriculture, in courtesy to another cabinet officer and another department, sent that bill to Mr. Acheson, and asked him to review it before we passed it on up through the Budget Bureau and to Congress.

That bill was sent to the State Department on April 6, and it was not until September 27 that we received an answer which did turn down our suggestion for legislative action and maybe with valid reasons but suggested that our needs could be met administratively.

It was pointed out that the State Department is now reviewing the Rowe committee report and others on it in which the whole relation of the State Department with the Government agencies is being studied. The Budget Bureau was investigating the economic reporting services and the Brookings Institute, on a contract with the State Department, was also making a study. They reported that legislation at this time would be unwise until these reports come out, and stated they felt the adjustment in relations between agencies and State could be handled administratively, and so Mr. Brannan said "that is exactly what we think, and that is exactly what we want," He replied in a letter to the State Department outlining some of the problems that we saw in the issue.

In the meantime Mr. Cooley stated he was going to Europe to make a study of the problem on the ground. Upon his return he called Mr. Rossiter and Mr. Englund, of our office, and reported on his observations and stated that his committee was going to draft an extended report on this whole issue. He has since indicated that he is not so strong for an independent service and thought it could be worked out within the unified Foreign Service between the State Department and the Department of Agriculture.

MAJOR POINTS IN SECRETARY BRANNAN'S LETTER TO STATE DEPARTMENT

I suppose Mr. Cooley will make a final report. In the meantime, I do not know whether the committee would like for me to put in the record a summary of the major points in Mr. Brannan's letter to the Secretary of State outlining our views on this general subject of Agriculture-State relations with particular reference to the agricultural attaché.

Mr. WHITTEN. We would be glad to have it.

Mr. ANDREWS. I will read the summary—part 1.

Demands for stronger agricultural work in the Foreign Service and more direct contact between the Secretary of Agriculture and the attachés abroad have their roots in the enlarged significance of agriculture and the foreign economic interests and international commitments of the United States.

That is another way of saying that the Department of Agriculture feels that it has certain responsibilities in our foreign policy, that the Secretary of Agriculture ought to have something to say about these attachés, what they say and report, and be able to call them direct on agricultural problems.

2. Administrative arrangements should be made for the direct contact between agricultural officers abroad and the Secretary of Agriculture in technical and strictly agricultural matters.

3. Cooperation between our two departments in reference to appropriations for foreign agricultural work should be considered in consultation with the Bureau of the Budget.

In other words, at the present time, this committee, which is concerned with agricultural appropriations, does not get to see what is going into the State Department budget which goes before another subcommittee here for agricultural work abroad. Yet this committee, to some extent, and certainly the Secretary of Agriculture gets the blame if agricultural affairs fall down abroad, and so we think, and I will comment on that later, that there should be some clarification. We ought to know, this committee ought to know, and the Members of Congress who are concerned with agricultural policy ought to know, what is being spent for agriculture abroad and maybe why.

4. Prevailing consent of generalist versus specialist should be reconsidered in the light of the broadened scope of agriculture in the Foreign Service. Corresponding care should be exercised in selecting and training agricultural officers and entrance examinations should be revised accordingly.

That simply says this: Sometimes when we select a good man from, say, the Department of Agriculture, a county agent or some other place, and nominate him to become an agricultural attaché, he may be accepted by State as a Staff or a Reserve officer. When he goes abroad, he does not get all the privileges and allowance that regular Foreign Service officers do.

Sometimes the agricultural officer is pushed around by a regular foreign officer of less rank, stature and ability. That sounds like a small thing, but it is an important thing to a fellow abroad in these small communities. In other words, we think that an agricultural man that goes abroad, within our embassies, should rank according to his ability and salary schedules and other things, along with everyone else, and not be put back in the corner, because he happens to represent agriculture.

Mr. HORAN. Mr. Chairman, might I comment on that?

Mr. WHITTEN. Yes.

Mr. HORAN. He quite often does not even get a desk.

Mr. ANDREWS. There have been difficulties on such things as office space and secretarial help.

Mr. HORAN. And while we in America do not pay much attention to face, it is an unfortunate thing that sometimes our men who really represent American agriculture have difficulty in even making contacts with foreign officers of equal importance, and it is a very disturbing thing to me. Certainly the military attachés do not report back to the Secretary of State, even though the Department of State was created first in our Government.

Mr. ANDREWS. That is right.

Mr. HORAN. I think that definitely the thing that ought to be done is that our foreign agricultural and commercial attachés should report to their respective Secretaries. It will give more facility both abroad and here at home to those Secretaries.

Mr. WHITTEN. Enough factual data have been developed in this record through the last 4 or 5 years to support some change in the policy that we have been following. There is no point in us delaying further to find that the situation is even worse than before. And that is one reason for the State Department being in its present unpopular position with the people of the Nation. Rather than correct that which is open and apparent they want to wait until they make a study and then find that it is 10 times worse than anybody suspects.

I am putting this in the record because we want to get some action, or we want to get behind a bill which our colleagues on the legislative committee will bring out.

Mr. HORAN. I was very happy to see them take this action as they did, because it is not a matter of bureaucratic jealousy. It is a matter of efficient Government and a protection of our own Nation, abroad and at home. And, Mr. Chairman, I do not know how the members of this subcommittee voted on reciprocal trade extension, but I know that this condition that we are complaining about did reflect in the judgments that various Members of Congress passed when they voted some amendments in the reciprocal trade that the Department of State does not like very well.

Mr. ANDREWS. I do want to say this, that since this thing has come up, and the contacts have been made with Mr. Webb and Mr. Humelsine and the people at the top side in State—we have had the finest spirit of cooperation and they have tried to really hammer this thing out. I will confess that in the lower ranks of the State Department we still have a hard time after we agreed to something at the top to get it done at the lower level.

I will continue these points here:

5. Agricultural officers should receive appropriate recognition and support in our mission abroad, including opportunity for promotion to class 1 without the virtual necessity of leaving agricultural work in order to qualify for promotion.

What that means is this: I guess every fellow in every kind of business or effort likes to feel that his work is being appreciated, he likes to feel that he is going up the ladder a little bit, and up until I might say last year, an agricultural man in the Foreign Service was

pretty discouraged. Promotions are few and far between. If he cannot get promoted, what does he have to do? He has to branch out and become a political officer or a general economic officer in order to get the recognition that his training and knowledge and background of experience deserve.

This simply says that a man ought to be able to enter as an agricultural attaché at the bottom and go to the top in agricultural work abroad, because frankly when a fellow gets up to 40 or 45 years of age and has had wide experience abroad, and knows the foreign situations, his value as an agricultural officer should be recognized.

Some young men are good, but they are not much value to us if we lose them as soon as they go up in the ranks a little bit.

Mr. ROSSITER. It might be of interest to report that last year the selection boards did promote four agricultural officers doing agricultural work.

Mr. ANDREWS. We are having a hard time getting agricultural officers recognized as of value in the upper grades.

As a policy, Mr. Webb and Mr. Puerifoy, who was there before Mr. Humelsine, have agreed, and the Foreign Service board on which we are a member has agreed on a policy which permits an agricultural officer to go from the bottom to the top. We are in process of getting that in writing and in a regulation of the State Department, which I think is going a long way.

The last:

> The prospects for more adequate appropriations for agricultural work within the unified Foreign Service, we believe, could be significantly improved if our two departments agreed on a program of administrative improvement that would commend itself to Congress and to organized agriculture.

That is the gist of the Secretary's letter. I will either put the whole letter in the record, Mr. Chairman, or these parts, or whatever you wish to do.

Mr. WHITTEN. We will leave that up to you. I do not know as there is need for the extraneous matter.

Mr. ANDREWS. The Secretary goes into great length of how we are trying to build a Foreign Service, how we are trying to help the total diplomatic effort of the United States, and we have got to do that, and that is the story.

That letter went over, as I said, on December 21 to the Secretary of State. We have had several consultations with Mr. Humelsine and others who have been working on this problem. We have decided on a number of things that can be worked out.

A committee has been set up; Mr. Englund, in my office, with other technical people will work with the people in the State Department. They are going to draft a letter setting out these agreements. It will come to the Department of Agriculture as an agreement between the two departments on the subject.

I have here a letter which I would like to submit from Mr. Humelsine, the Deputy Undersecretary for Administration in the State Department. He is Mr. Webb's man, and he sets out the tentative agreements that we have made to this, and pledges mutual cooperation in correcting and working out other problems.

MAJOR POINTS OF AGREEMENT BETWEEN DEPARTMENTS OF STATE AND AGRICULTURE

I would like to read only the points which we think we are in substantial agreement on.

1. That the Department of State should undertake to prepare justifications for the fiscal year 1953 Foreign Service budget estimates on a functional basis permitting analysis of the staff and other resources devoted to agricultural and other fields of economic activity.

In other words, we are supposed to be able to see in their budget how much is being spent for agriculture; when you get right down to it, it is fantastically small when agricultural commodities represent 44 percent of our total international trade. and when you consider that certain crops in this country absolutely depend on this foreign trade.

2. That the two departments continue to cooperate in the development of procedures permitting faster communications between the Department of Agriculture reporting officers overseas.

That is where you get into whether or not the Secretary has a right to send a telegram direct to one of our attachés and whether he has a right to send a reply.

In this work we are doing now the Department of Agriculture will have the responsibility for nominating and passing on the classifications of the agricultural attaché. They are to be, of course, appointed by State on our recommendation, and that is a pretty important point on that. Mr. Rossiter, who has done most of the inspection abroad—I have not done too much of it myself—but Mr. Rossiter has inspected a large number of the posts and discussed with the ambassadors and administrative officers these relations with Agriculture.

This business of communications is what we are hitting on, the Secretary of Agriculture having more direct contact with the agricultural officers. There is no reason on earth why the agriculture attaché should not wire direct on technical and functional agricultural business.

We have at the present time one illustration of this sort of relationship. This has come up since we appeared before this committee: In the administration of the international wheat agreement, our representative in London is under broad State Department administration so far as policy is concerned. We occasionally communicate direct by telephone or by wire on urgent matters between the Department of Agriculture and our man in London at the wheat agreement.

That involves cutting off shipments, prices, subsidies, and things you simply cannot wait on in a business way. You just cannot wait to get all the necessary clearances. This has worked fine, as far as I know, in the last year. As far as I know we have not embarrassed anybody in State Department with that operation, but we have tried to render the things unto Caesar that belong to Caesar, and we had no trouble at all.

Mr. HORAN. That is the reason if you have a little division of responsibility and mutual respect you can render those services.

Mr. ANDREWS. That is correct. That is really what we are shooting for in this total effort.

3. That the two departments continue to cooperate in the administration of the Foreign Service through the existing mechanisms, and that new efforts be undertaken to interest candidates having agricultural backgrounds in Foreign Service officer appointments both by examination for class 6 and section 517 appointments.

I will have to explain that. The agricultural candidates now flunk the Foreign Service examination because they deal with a lot of things that the average trained agriculturalist is not too much concerned with in his education. The examination is based largely on liberal arts and political science. We have a tentative agreement with the State Department that they will set up a special examination, or a supplement to that, whereby a man will be graded on his specialty; in other words, on agriculture.

This reference here to section 517 is where State will permit qualified agricultural trained Foreign Service staff officers to get in the regular Foreign Service through lateral entrance. We can recommend qualified agriculturally trained men for the reserve or staff corps and after a limited time in the Service they may be able to enter the regular Foreign Service and still continue to do agricultural work.

4. That training activities and administration of the interservice assignment program be carefully developed to provide both specialists training in agricultural matters, for generalist officers, generalist training, and for officers whose background is familiar in agriculture.

That sounds high talking, but it means that the fellow who goes abroad for agriculture should have a little concept of the general Foreign Service work, and the fellow who is going to be an economic counselor, and who may pass on some of the reports that the agricultural officer presents, ought to have some knowledge in agriculture to know what it is all about.

5. That assignment to the post of economic counselor in the embassies shall wherever possible reflect the principal economic interest of the country to which the officer is accredited, whether it be labor, agriculture, commerce, mining, or shipping.

That is very important. In other words, where you have an embassy—take Burma, that is a good case in point—where 96 percent of the total country's commercial industrial activities is based on agriculture, why have a man that knows nothing about agriculture out there as your economic counselor? Put a man with agricultural background that knows agricultural trade in there and he should be a more effective officer for the Embassy.

6. That the two Departments undertake to develop better instructions for the selection boards concerning the scope and nature of the work of overseas agricultural officers.

That the two Departments undertake steps necessary to maintain and develop existing relationships between the Director of Information of the Department of Agriculture and the Overseas Information program of the Department of State.

This is aimed at the Voice of America, and all the programs that are going out to a world that is about 83 percent agrarian and, in the underdeveloped areas, is 94 percent agrarian. Frankly the Voice of America has come over to us, and said, "We want some help and guid-

ance in this work and particularly for our people out in the embassies, to tie information into the agricultural policy, and other agricultural problems."

That the Department of State cooperate with the Department of Agriculture in the drafting of a policy statement for circulation to the field clarifying the potential contribution of agricultural officers to United States information programs.

I am confident that these, together with the additional improvements which may be expected to come from our joint study of the recommendations of the Secretary's Committee on Personnel Administration and the Bureau of the Budget survey of foreign economic reporting, will provide us with a sounder basis for continuing cooperation in the public interest than we have enjoyed before.

I would like to put that in the record because that is the first thing I have gotten in writing.

Mr. WHITTEN. We will be glad to receive it.

(The letters referred to follow:)

DECEMBER 21, 1950.

The honorable the SECRETARY OF STATE,
Washington, D. C.

DEAR MR. SECRETARY: Careful attention has been given to Mr. Webb's letter of September 27 which expressed opposition to our suggested draft legislation on agricultural activities abroad, enclosed for study with my letter of April 26, 1950. We note that your Department believes it possible to solve administratively the problems dealt with in this draft bill, and we welcome the invitation to submit suggestions toward that end.

Our response to the invitation is based on those requirements of agriculture in the Foreign Service that have been the subject of considerable discussion in Congress and in agricultural groups, and also between our two departments. Such discussion has been helpful toward a better understanding of the problems involved and a clearer recognition of the scope and importance of agriculture in the total effort of a unified Foreign Service.

Agriculture has been given, in recent years, a new and greatly enlarged significance in the economic, social, and political life of various countries, and in our own international interests and commitments. This is true, not only in the old and important sphere of "competition with and demand for American farm products" but also in reference to the broad economic, social, and political problems of world prosperity and peace in which, more recently, the United States has become deeply engaged.

A few examples will suffice to illustrate this enlarged significance of agriculture in our international effort: (1) Agriculture in economic recovery and defense, and food for direct aid to needy areas; (2) the point IV program, of which agriculture is a major part, designed to stimulate the economic advancement of underdeveloped areas; (3) land reform, in line with our American ideal of individual ownership, to resist the appeal of communism among agrarian masses; (4) the role of agricultural policy in liberalism versus rstrictive practices in international trade; and (5) commodity agreements to stabilize world trade in farm products, and to improve their distribution, in times of scarcity as well as of surpluses.

A truly unified Foreign Service depends not only on legislation but also, and perhaps even more, on administration. This, in turn, depends on (1) full recognition of the fundamental interrelationship of various fields of work in our international effort, (2) basic partnership of the departments that have primary responsibility for these fields, and (3) essential equality of recognition amoug persons who perform comparable functions. Our recommendations, therefore, are made in the light of the greatly augmented importance of agriculture in our international effort and for the purpose of more effective performance in that field.

It has been urged in Congress and elsewhere that more direct connection should be established between the Secretary of Agriculture and the agricultural attachés. Realizing that it would be difficult to accomplish this satisfactorily within the unified Foreign Service, we believe that the two departments should explore carefully the possibilities tending toward that objective.

It should be fruitful, for example, to examine existing procedures to determine more specifically in what respect the present connection through your Department may be inadequate (*a*) in giving effect to the needs of the Secretary of Agriculture,

and (*b*) in transmitting to him the findings and recommendations of agricultural officers abroad. In considering administrative improvement, it should be recognized that the Secretary of Agriculture is in large part held responsible by Congress and agricultural groups for the results of our agricultural work abroad, as well as in this country.

It has been said in congressional circles that the subcommittee on agricultural appropriations should have opportunity to consider also the appropriations for agricultural work abroad. We offer no recommendations on this matter, as Congress itself determines how it shall consider proposed appropriations. We mention it, however, as perhaps reflecting the fact that the greatly expanded interests and activities of the United States abroad affect importantly many of the fields of nterest, including agriculture, formerly regarded as "domestic fields."

We propose for consideration, however, that it might be well to examine the possibilities of closer cooperation between our two Departments in reference to appropriations for the Foreign Service that may concern directly the agricultural work. This undoubtedly should be considered with the Bureau of the Budget, if you agree with us that the general idea should be explored further.

In such exploration it might be worth while to consider also the possibility of stronger support for the work of agricultural officers. Such increased support, more necessary at some posts than at others, would call for more assistance in the form of American and native help, greater opportunity for first-hand field observation, etc.

Well-selected agricultural officers in our missions abroad, if adequately recognized and supported, can perform important policy functions in advising chiefs of missions and in reporting to Washington on broad questions that have their roots in agriculture and agricultural policy, and that are of increasing significance in the international undertakings of the United States. These officers can render valuable service in the dissemination of information on American agricultural problems and policy and on the life and work of our rural people. This could contribute significantly toward better understanding abroad of our democracy and greater appreciation of its values.

The place of agriculture in our international effort requires that agricultural officers should be not only "specialists" in the restricted meaning of the word but also "generalists" serving the interests of agriculture at home and performing an increasingly important function on a widening sector of our international interest. In this connection, we want to emphasize the belief that the broadened scope of our foreign commitments and the larger significance of fields heretofore regarded as more or less subordinate "specialties" require reconsideration of the concepts of "specialist" and "generalist" in the Service and in recruitment and training.

Our cooperative selection of agricultural officers has brought into the Service many men of broad training and experience, not only in the technical and economic phases of agriculture but also in the still broader aspects of public policy relating to it. Further progress in this direction is to a large degree interdependent with recruitment, status and recognition in the Service, and possibilities for promotion.

A truly unified Foreign Service, adapted to the requirements of the international commitments and programs of the United States, should provide for careers in those "special fields" that have become less special and of broader importance than formerly. In the case of agriculture—and we limit our recommendations to it—entrance examinations should aim to test knowledge and ability in agriculture as well as general education and other over-all qualifications. This is important to career recruitment for agricultural work within the unified Service, and suggests a need for reconsideration of entrance examinations.

Wide differences appear to exist among the various missions, in the status and recognition given to agricultural officers, especially if they serve under reserve or staff appointment, compared with those who hold career appointments and serve in the more traditional fields.

These differences appear to be due largely to the manner in which mission chiefs and counselors look upon the place of agriculture in the total American interest abroad and, therefore, at their respective posts. If the agricultural officer is given less consideration by the mission than the field merits, it can have adverse effects on the individual officer's morale and on his contacts, and therefore handicap him in the performance of his duties. We recognize that many changes for the better have been made and that agricultural officers, especially the more aggressive among them, can do much to develop a more adequate recognition of agriculture and of their own status. We believe, however, that it is administratively possible, within the Foreign Service Act, to stimulate further improvement.

Another improvement should be possible by reexamining and correcting the practice in some missions of subordinating the agricultural to the commercial. This has resulted in assigning, as a matter of course, to the commercial attaché or acting commercial attaché the authority of economic counselor in the absence of that officer. With that assignment may go the function of approving agricultural reports, even where the agricultural attaché may have the broader training and experience in economics and public policy. An effective solution would be to have senior agricultural officers in the more important missions report direct to the Ambassador.

The Inspection Corps has rendered excellent service in giving the agricultural officers opportunity to discuss their problems with inspectors. The opportunity extended to this Department to participate in the meetings of inspectors here in Washington is appreciated.

We realize fully that the status and recognition of the agricultural officer in a particular mission depends in part on himself. As this Department participates prominently in the selection of agricultural officers and in briefing and training them, we propose to place increased emphasis not only on specific professional stature, which of course must come first, but also on their personal qualifications and general ability to meet the broad requirements of the Service.

Many of our agricultural officers have had extensive training and experience before entering Foreign Service. By and large, this fact has been satisfactorily recognized in terms of entrance grade. The matter of their promotions after entering the Service, however, needs further emphasis. Serious concern has been expressed in agricultural circles over the "promotions out" of agriculture into other fields of the Service, and the rather general feeling of agricultural officers that to remain in agriculture is to impair their opportunities for promotion.

This poses a major problem which, in our judgment, cannot be solved satisfactorily either by encouraging "promotion out" or by attempting to hold men in the agricultural work by closing the door to such promotion. The first would tend further to deprive the Service of its best agricultural men; the second would be most unfair to individuals, deadening to their morale, and harmful to the Service. The ablest and most enterprising men would be likely to leave the Service altogether; and recruitment for agricultural work at all levels would suffer.

The solution, it seems to us, lies along three principal lines: First, stronger awareness throughout the Service of the real scope of agriculture in our international interests and commitments; second, more adequate recognition of agriculture and agricultural officers in our missions abroad with further improvement in their selection and training; and, third, wider opportunity for promotion of outstanding men toward the top of the Service.

The first two of these have been discussed above. The third requires that promotion of outstanding men to class I be made without accompanying encouragement to leave agriculture, and that the status of agricultural counselor be provided for in the post complements of our major posts. This recommendation has been made before by this Department. If this were agreed to as a matter of policy, there is opportunity now for this Department to participate in applying it, through our representatives on various committees and boards.

This participation is among the helpful steps that have been taken in administrative improvement, but may not be sufficiently known outside of our two departments. We believe that this should be given greater emphasis in the discussion of our interdepartmental relations, along with the fact that much agricultural work, for instance in reporting is done by members of the Service who are not agricultural officers and in posts that do not have such officers. We appreciate this cooperation and help.

In conclusion, we agree that possibilities for improvement within existing legislation should be explored and used to the fullest. Some of the suggestions in this letter might be regarded as proposals by one Department on matters of internal concern to another. We believe, however, that the matters touched upon are of mutual concern and within the concept of a truly unified Foreign Service.

We believe that, where there is criticism of our foreign agricultural work, a more favorable attitude and more adequate appropriations depend in large part on our two Departments agreeing on a program of administrative improvement that would commend itself to Congress and to agricultural organizations.

It may be helpful to close with a brief summary of principal points:

1. Demands for stronger agricultural work in the Foreign Service and more direct contact between the Secretary of Agriculture and attachés abroad have their roots in the enlarged significance of agriculture in the foreign economic interests and international commitments of the United States.

2. Administrative arrangements should be made for direct contact between agricultural officers abroad and the Secretary of Agriculture in technical and strictly agricultural matters.

3. Cooperation between our two departments in reference to appropriations for foreign agricultural work should be considered, in consultation with the Bureau of the Budget.

4. The prevailing concept of "generalist" versus "specialist" should be reconsidered in the light of the broadened scope of agriculture in the Foreign Service. Corresponding care should be exercised in selecting and training agricultural officers, and entrance examinations should be revised accordingly.

5. Agricultural officers should receive appropriate recognition and support in our missions abroad, including opportunity for promotion to class 1 without the virtual necessity of leaving agricultural work in order to qualify for promotion.

6. The prospects for more adequate appropriations for agricultural work within a unified Foreign Service, we believe, could be significantly improved if our two departments agreed on a program of administrative improvement that would commend itself to Congress and to organized agriculture.

We should appreciate early consideration of the points of view and general suggestions advanced in this letter. It might be practical, at some stage of these considerations, to arrange for an informal committee with members from both departments to study these views and proposals, along with others that may be developed in the several survey projects mentioned on page 3 of your letter.

Sincerely yours,

CHARLES F. BRANNAN, *Secretary.*

DEPUTY UNDER SECRETARY OF STATE,
Washington, February 12, 1951.

Mr. STANLEY ANDREWS,
Director, Office of Foreign Agricultural Relations,
Department of Agriculture.

MY DEAR MR. ANDREWS: I would like to review briefly the agreement on a program of administrative improvement between the Departments of State and Agriculture which we reached in our conversation yesterday.

I am anxious that the Department of Agriculture shall have every possible facility for performing an effective job in the field of overseas agricultural activities within the framework of a unified Foreign Service. Secretary Brannan's letter of December 21, 1950, was therefore a welcome opportunity to review the services provided by the Department of State on behalf of the executive branch in connection with this work. I believe that the investigations to which it has given rise have revealed many improvements which can be readily accomplished by administrative action. In our meeting yesterday we reviewed a list of proposals and agreed upon these as the basis for a joint program of administrative improvement. Among the specific proposals were:

(1) That the Department of State should undertake to prepare justifications for the fiscal year 1953 Foreign Service budget estimates on a functional basis permitting analysis of the staff and other resources devoted to agricultural and other fields of economic activity.

(2) That the two Departments continue to cooperate in the development of procedures permitting faster communications between the Department of Agriculture and agricultural reporting officers overseas.

(3) That the two Departments continue to cooperate in the administration of the Foreign Service through the existing mechanisms, and that new efforts be undertaken to interest candidates having agricultural backgrounds in Foreign Service officer appointments both by examinations for class 6 and section 517 appointments.

(4) That training activities and administration of the interservice assignment program be carefully developed to provide both specialists training in agricultural matters, for generalist officers, generalist training, and for officers whose background is familiar in agriculture.

(5) That assignment to the post of economic counselor in the embassies shall wherever possible reflect the principal economic interest of the country to which the officer is accredited, whether it be labor, agriculture, commerce, mining, or shipping.

(6) That the two Departments undertake to develop better instructions for the selection boards concerning the scope and nature of the work of overseas agricultural officers.

(7) That the two Departments undertake steps necessary to maintain and develop existing relationships between the Director of Information of the Department of Agriculture and the overseas information program of the Department of State.

(8) That the Department of State cooperate with the Department of Agriculture in the drafting of a policy statement for circulation to the field clarifying the potential contribution of agricultural officers to United States information programs.

I am confident that these, together with the additional improvements which may be expected to come from our joint study of the recommendations of the Secretary's Committee on Personnel Administration and the Bureau of the Budget survey of foreign economic reporting, will provide us with a sounder basis for continuing cooperation in the public interest than we have enjoyed before.

Sincerely,

CARLISLE H. HUMELSINE.

Mr. ANDREWS. That is the preliminary answer to this letter right here.

Mr. HORAN. That will nail it down.

Mr. WHITTEN. Yes. We are glad to have that, and we are in hopes it will go through as indicated. Our reports for several years have indicated that some such action as this should be taken.

EXPLANATION OF HOW APPROPRIATION IS USED

Turning now, briefly, to the operations of your office, you pointed out that the appropriation for the folks working overseas comes through the State Department appropriations. Here before us we have the request of $600,000, which is the same as the amount you had this year. Briefly, tell us where that money is to be spent.

Mr. ANDREWS. That money is spent primarily in making use of the material that is gathered by the attachés and for our various foreign responsibilities.

Mr. WHITTEN. In other words, this finances your immediate office?

Mr. ANDREWS. That is right; that is all.

Mr. WHITTEN. So what we have here, in addition to this trouble in the foreign offices, is the fact that one committee handles the appropriation for your office, another the funds for your field staff.

Mr. ANDREWS. That is right.

Mr. WHITTEN. Another subcommittee determines how much money and what personnel you will have, the State Department determines who the individuals are who will do the work. And then after the individual who has been selected by the other group does the work purportedly for you, he has to channel that information through the other group and you get it if they see fit to let you have it.

Mr. ANDREWS. That is right.

Mr. WHITTEN. I do not mean they would not let you have it, but that is possible. This is to correct that situation.

Mr. ANDREWS. This is to put this as near direct to this group as possible. In effect, we are a staff office of the Secretary of Agriculture, and we try to back him up or help him in his foreign responsibilities, not only in his responsibilities to other parts of the Government and to the President, but also his responsibility in relation to foreign trade and to American farmers. I do want to say that the work,

since I have been with this Office, which is just a little over a year, has doubled and it is increasing all the time.

Use of Foreign Agricultural Data

I will be perfectly frank. I am almost at the point where I want the Budget Bureau or the Congress or the President or someone to tell me just what we are supposed to do and what we are not supposed to do when we have the world conditions like they are now. The routine work in peacetime requires all of our people hired by the $600,000 to do our job of compiling and analyzing the reports that come in, economic policies, and the things developed in various parts of the world that have a bearing on our economy and our agriculture here.

For instance, our planning in agriculture, say cotton—Mr. Whitten, you are familiar with that—and wheat and things of that kind, if the cotton is expanding in the Belgian Congo, if Egypt is expanding wheat, against cotton, or if India is expanding cotton and jute as against food, which they did this year and got themselves into some trouble. That is of real concern to the farmers of the United States because it affects two things: One, their possible markets; and second, their possible demands against this country. That material all flows in and it is tabulated and analyzed. It goes out through the Extension Service, through the PMA planning committees, and is made a part of this total picture we have here in agriculture.

I confess that we do not get down, right down, to the individual farmer with our information and methods as well as we could. The information goes through the Extension Service, and when these programs and the outlook meetings are laid out, the material gathered by the attachés and developed by our office is put in the hands of these committees and it is considered in connection with the over-all picture.

That is what we used to do for years. Then comes up the question of the markets abroad. In former days we had rather free trading arrangements. You had convertibility of other currencies and foreign trade was not too difficult. But now with all the trade barriers, restrictions, currency problems, and so forth, we begin to get hit right and left on some of our agricultural marketing conditions. So the screams that we have received from industry and farmers on our trade problems abroad have been terrific. More and more we are having to go right into those things and find out why we are not selling, find out what this tariff is and what this export permit is. Just a case in point occurred yesterday. A little South American country slapped on a decree that everything is under import control in that country and everybody that gets an import permit of any kind must pay $4.

Well, that costs, say, $4 for a sack of flour, and of course the people that sell to that country are screaming their heads off. There are eggs and chickens, dried milk, and all kinds of things for sale. That sort of problem is coming up all the time and it is increasing.

Gordon Gray Report

On top of that we have this sort of thing. For instance, you have heard of the Gordon Gray report. Well, the President called for that report and he called on all departments of Government to assist with it, sending a letter over to the Secretary of Agriculture asking

for certain data. We are supposed to project the needs of this country for products of the soil, such as coffee, fibers and tea, and all that sort of thing. It came over to Mr. Brannan and he sent it down to us. We have some people who know the coffee trends and planning in various parts of the world. We have to know cocoa, pepper, palm oil, coconut oil, and that whole list of commodities, and we are asked to project the needs and supplies ahead for several years.

That was done as a part of this regular routine of the service of the Secretary of Agriculture to the President. I do not want to bore you a lot, but you have heard of the President's Committee on Point Four, with Mr. Nelson Rockefeller as chairman. Mr. Rockefeller is taking his assignment seriously and lots of our time is required on this work.

We had to find out to what extent our American economy depends on the undeveloped areas of the world for essential materials, including food, timber, and other products of the soil. You would be surprised the extent that we are absolutely dependent for a lot of our needs on other parts of the world. We just finished that job, and here comes the President's Committee on Raw Materials. I could list several other things like that.

As the so-called foreign arm of the Department of Agriculture, Mr. Brannan sends that to us, and we do it. Maybe it is not our job. I am not trying to say that it isn't. What I am saying, it is a job that is increasingly important. I could tell about the International Wheat Agreement, FAO, Cotton Agreement, and other international meetings.

INCREASING WORKLOAD

Mr. WHITTEN. Has there been any falling off in your workload since the world has passed from a deficit to a surplus in production?

Mr. ANDREWS. It has increased it; absolutely.

Mr. WHITTEN. You may change the type of problem that you have.

Mr. ANDREWS. That is what I meant to say. In other words, take the matter of coffee. Coffee used to be, when we had great surpluses in Brazil and all those places, merely a buyer's market. You bought coffee at what you wanted, but now, with the dying out of groves in Brazil, with the changes, with the enormous increase in coffee drinking in this country, the amount of coffee in the world becomes a terrific concern to the consumers of this country and the Secretary again is the fellow that is trying to serve the consumer as well as the farmers in this country.

They get right after us. It is not necessary here to tell about Senator Gillette's committee. They really gave us some work here last year. We even flew our attaché up from Brazil and went into the coffee picture, just like we have flown our attaché in here from Yugoslavia.

Mr. WHITTEN. Do you have to get approval of the State Department to bring him back?

Mr. ANDREWS. We did. We also flew Mr. Taylor from Delhi. He landed here Friday and is going to testify on this Indian grain situation.

Mr. WHITTEN. Mr. Andrews, you have given us a very good picture of the kind of problems you have in your office and the things you are called upon to do. We can readily see how difficult it is to project into the future what we are going to face, and what we are going to have.

I would like to pause here to point out that how well you do your job depends entirely upon the type and caliber of man you have in the field from whom you get these reports—his experience, how factual he is, and things like that are extremely important.

ANALYSES FROM THE FIELD

Mr. ANDREWS. Absolutely. You are just as right as you can be. As far as I am concerned, I want the man out there to give us the analysis of it instead of us fellows having to make the interpretation here. I would take the judgment of the man in the field a good deal more. I think it is our job to give the total picture, but when we send a request to Spain and want to know what the lemon situation is there, or whether a certain disease is hitting that Mediterranean area in certain fruits, we want to have a man out there, and I think we have a man in Spain, for instance, that can tell us about the situation and we can bank on it, just like we banked on Mr. Haggerty to tell us what the Yugoslav food situation was.

I think the State Department, Senator Connally, and others said that this man gave them more information in 15 minutes than they had ever had in weeks from any other witness.

Mr. ANDERSON. At that point, Mr. Andrews, how does that man in Spain, for example, get his information? How much of a staff does he have?

Mr. ANDREWS. He has usually a native helper. Sometimes he has another American. Of course, he has a secretary, and now, thanks to Mr. Rossiter and thanks to this committee, who let us have the money to send people out to try to improve these relations, our attachés now, in many places, have cars assigned to them for field trips and they are allowed to travel pretty well throughout the country. They go right out to the farms and out to the cooperatives, and out to the business firms to secure first-hand information.

A good case in point, when I was in Spain recently our attaché had just been with a businessman from this country who was interested in certain agricultural products in Spain and he had put him in a car and taken him out there and got him in touch with the people that had the stuff. It happened to be a certain type of carpet wool that Spain rarely sells to this country, but wool is awfully short and they were looking for wool and they went out there and in a matter of hours there was a deal made.

Another thing we are trying to do, and we have an agreement with the State Department on that, instead of putting an agricultural officer in a country for a year or a year and a half and then send him off to some other place we want to keep him there for 4 or 5 years so it will be of value to us and the country and to agriculture.

RMA FUNDS

Mr. WHITTEN. How much money have you had from title II of the RMA, Mr. Rossiter?

Mr. ROSSITER. $180,000.

Mr. WHITTEN. What is the purpose of that and what kind of work are you doing with it?

Mr. ROSSITER. We are sending out RMA specialists. We have about 10 on the roll for this year, under project 2. There will be 10

different commodity men in the field during this fiscal year; not all of them are employed full time. Do you want a list of them? We can give you a list of the commodities they represent.

Mr. WHITTEN. I would like you to do that and indicate their location.

(The statement referred to follows:)

Research marketing administration commodity specialists

Commodity	Specialists	Headquarters
Cotton	Whitaker	Paris.
Do	Norris	Washington.
Tobacco	Gibbs	Paris.
Do	Van Dyne	Washington.
Wheat	Baehr	Do.
Fresh fruit	Motz	Paris.
Citrus fruit	Burke	Washington.
Nuts	Schreiber	Do.
Dairy products	Day	Do.
Cooperatives	Ridell	Do.

Mr. WHITTEN. Are they all in foreign countries?

Mr. ROSSITER. Part of them. Several of them travel out from Washington. We have one and a half men on cotton, one man on wheat, one and a half men on tobacco, one man on fruit, fresh fruit, one man on citrus, one-half a year on nuts, one man on dairy products, and one-half on agriculture cooperatives.

Mr. WHITTEN. Now what is the purpose of these employees? Do you use them just to fill in and help you out on your regular work, or is this special information that they are seeking through the RMA?

Mr. ROSSITER. I think the principal thing is these men are out in the field attempting to keep markets open for our commodities.

Mr. WHITTEN. It is a marketing proposition?

Mr. ROSSITER. That is right. They assist the agriculture attachés and the agriculture attachés assist them.

Mr. WHITTEN. Now the situation having changed somewhat with regard to how much commodities we have for sale, do you think there is the same necessity for continuing that project? Or would it be better to pull these men in for the time being and wait until we have surpluses for sale before we send them out?

Mr. ANDREWS. A good businessman, Mr. Chairman, doesn't call off his salesmen just because he is a little short of stuff.

Mr. WHITTEN. Yes; but if he is $270 billion in the red, he might have to call off his salesmen.

Mr. ANDREWS. That is a good point. I would like to make this point. There is a continual fight all the time on tobacco to keep the discriminations down against American tobacco over there, and we have got to sell tobacco; we are not short of tobacco; we have to sell tobacco. In the case of our cotton men, I raised the same question in my own office.

Mr. BATES. Why does American tobacco have to be sold?

Mr. ANDREWS. Since early in the seventeenth century the American tobacco industry has been geared to a large foreign market. Over the years the foreign demand for American tobacco has increased rather steadily and the industry has expanded to meet this increased demand. Therefore, foreign markets for United States tobacco must be main-

tained to prevent widespread disruption in the industry and financial hardships to tobacco growers, exporters and others either directly or indirectly dependent for their livelihood upon the export market for United States tobacco.

Mr. BATES. What is your outfit doing to break down the resistance to American tobacco?

Mr. ANDREWS. Within the limit of funds and personnel made available to it, the Office of Foreign Agricultural Relations is making every effort to maintain and increase the foreign market for United States tobacco. During the past 3 years OFAR has continually kept one or more tobacco marketing specialists abroad studying the demand for and competition with United States tobacco in foreign markets. Such studies have been made in Western Europe, Latin America, South and East Africa, and one is now under way in southeastern Asia. More work has been done in Western Europe than any other area of the world, as that area takes the bulk of United States tobacco exports. OFAR's tobacco specialists have furnished information and other assistance to tobacco growers' organizations, exporters, ECA and others that have contributed materially to the maintenance of our foreign tobacco markets. Considerable progress has been made in breaking down unrealistic foreign trade barriers that hindered the exportation of American tobacco.

Mr. WHITTEN. All of this would be good, but we have reached the point where we can't have all that is good, and there is a real question as to which is the most essential.

Mr. ANDREWS. In the case of cotton, Mr. Whitaker went over there ostensibly to try to keep the markets open for our cotton, to work with the mills, to set forth and emphasize the qualities of our cotton and to study the main competition with other cotton, but what has happened? Mr. Whitaker has become in a practical effect the expert on cotton for the OEEC countries in Paris and he sits in the textile committee of the 18 Marshall plan countries there and is assisting on the allocation among those countries of our cotton and is frankly doing—there again maybe we can't afford it—but doing some very good work for our Government, the Department of Agriculture, the allocation authorities and everybody else, and keeping down the squabbles that inevitably arise when you have a shortage of anything and everybody wants more than they deserve and yet you try to keep everybody happy. We have got a real problem on that.

Mr. WHITTEN. My purpose in asking you is because we on this committee have to make our best guess, and you folks that deal with the subject can give us the information. You can help us a whole lot by pointing out which is first, second, and third.

Mr. ROSSITER. Fruits, for example; I understand the Northwest has a little difficulty getting rid of some apples and I think our fruit man over there has been of considerable help to the representative that has been over there recently.

Mr. HORAN. There is no question about that.

Mr. ANDREWS. I think that is a policy problem.

Mr. WHITTEN. I know of two or three people in my own area during the last war that bought cars from some of these fellows and sold them on the black market. These people got cars but they paid high prices for them, and those dealers will never sell them any more cars under normal condition. I can see that the fairness with which you allocate

a scarce commodity and your efforts to make these folks feel good about it may pay real dividends when we get back on the other side of the picture.

Mr. ANDREWS. I think the finest compliment we could ask for that business is that the countries over there all were mad as the dickens and raised Cain—that is not for me to comment on, that first cotton allocation, but they were awfully disturbed and awfully torn up and Mr. Whitaker did do a great deal to pacify the various governments and with interest until we got straightened out on this end and additional allocations made.

Then those countries met for weeks trying to figure out a formula which would suit them and they finally came to the conclusion and we have it in writing that "We think you people have done as good a job as any humans could do in dividing this cotton up so we are not going to set up our own committee. We will leave it to you fellows on that."

From the standpoint it has been valuable good will. I am going to confess to you, if I had to absolutely say, if I was in your position and have to pass on these funds here, as a bureaucrat and as a fellow who is interested in hammering these things and keeping a steady market abroad—of course, I think we ought to do it, but as you say, there has got to be some choices somewhere.

Mr. WHITTEN. Yes; and you do not have to give up this work. It is just a question of whether you want to put it on the shoulders of your regular representatives as additional work. The work has to be done. It is a case of how best you can do it and how well you can afford to do it. The question I direct to you is the same question I am going to have to ask every Bureau that comes up.

RESEARCH ON MARKETING

Mr. ANDREWS. That is right. We are developing some pretty worth-while material on research. This is researching marketing. We are emphasizing marketing in it. We have been doing some pretty good work on the so-called research side with reference to transportation facilities, refrigerator cars, dock facilities, handling of cotton, handling of wheat and all of that sort of thing that does have a bearing on this business of your market and the fluidity of market. That little business of $4 a permit raised more cain in one little country than you ever saw. That is just another thing that hampers commerce. It hampers good relations between the countries.

Mr. Chairman, I can go into each detail here on how we spent and are going to spend this $600,000 or any details you would like me to make as to the number of people, and so forth. Frankly our people with us have not changed because we haven't had money to change them.

Mr. WHITTEN. How many people do you have?

Mr. MICHELSON. We have on this fund about 113 man-years worth of people. We have in the whole office however, 346, as of November.

STATUS OF PROGRAM

Mr. WHITTEN. In view of the importance of this I am not going to do this with many departments, but I am going to ask that pages 403 through 409 be inserted in the record.

(The information is as follows:)

STATUS OF PROGRAM

CURRENT ACTIVITIES

Two recent major changes in world agriculture have caused the office to intensify its efforts to investigate and report upon foreign agricultural developments of interest and significance to United States agriculture. First, the world passed from a deficit to a surplus economy in production and supplies of certain agricultural products. This change, which had begun soon after World War II, was completed for most crops during the past year. This necessitated sharp adjustments in production planning and trade policies. After a decade of unprecedented production, United States farmers again had the problem of finding foreign markets for many of their crops. Second, military developments in the Far East sharply increased demands for certain farm products. These rapidly changing and critical conditions have required constant reexamination of the world agricultural situation by this Office.

Periodic and special series of reports are made to American farmers, farm and commodity organizations, the Congress, and other governmental and intergovernmental organizations on the facts relating to (1) foreign production and international trade in agricultural products, and trade agreements applicable thereto; (2) the world food situation; (3) specialized information concerning the agriculture, trade, and finance of other countries, and (4) the results of technical advice and assistance requested by foreign governments.

EXAMPLES OF RECENT WORK

1. Reports were prepared in response to congressional requests for information on subsidies and quotas, tariff changes, and international agreements of concern to agriculture. Comprehensive regular reports on agricultural conditions in Europe were being issued to assist the Congress, Economic Cooperation Administration, and other Government agencies in determining policies in guiding United States activities in that area. Advice and assistance to agencies concerned with the President's point 4 program have been rendered on foreign agricultural subjects.

2. Data were prepared on foreign agricultural production, agricultural products in foreign trade, prices of agricultural commodities for the world as a whole and other salient facts relating to food distribution and availabilities. The principal commodities covered were cotton, wool, livestock and livestock products, tobacco, wheat, rye, fats and oils, rice, potatoes, fruits, vegetables, and such tropical products as coffee and cacao.

3. During the fiscal year 1950, officials of the Office visited about two-thirds of the foreign posts at which agricultural officers of the United States Foreign Service are located. These visits served to help officers improve their work, strengthen relations between the Office and agricultural attachés, and generally increase appreciation abroad of the importance of exchanging agricultural information.

4. Staff members participated in various international conferences and discussions. These deliberations frequently require that extensive data be prepared for group consideration and for the guidance of this country's representatives. A few examples indicate the type and extent of this activity:

(*a*) Liaison services between the Food and Agriculture Organization of the United Nations and the Department of Agriculture have increased, partly because of operating problems brought about by the impending move of FAO headquarters to Rome. The FAO conferences for which this Office supplies the major share of the delegations are increasing in frequency and importance.

(*b*) The first year's operation of the International Wheat Agreement required considerable time of Office representatives. Their advice on broad policy decisions and on administrative details of its operation contributed greatly toward making the Agreement workable.

(*c*) Preparations for negotiations under the General Agreement on Tariffs and Trade (GATT) held at Torquay, England, involved the services of members of the Office on a trade agreement committee representing interests of several Government agencies. Service on this and the country subcommittees required extensive knowledge of the agriculture of these countries, as well as familiarity with the needs of American agriculture. A great deal of background data was required both for preliminary committee work and for representation at Torquay.

This Office had staff members in attendance for the entire period of the Torquay Conference.

(*d*) A staff member served for 2 months in the Philippines on the Bell mission, appointed by the President to study and make recommendations on economic problems of the Philippines.

(*e*) The Office participated in American Foreign Service conferences in Europe, the Far East, and the Middle East in the interest of American agriculture.

(*f*) Office representatives served as advisers at the Ninth Plenary Meeting of the International Cotton Advisory Committee. United States agriculture is vitally interested in the solution of cotton problems, as it produces nearly one-half of the world's supply.

(*g*) The Office was represented at the third meeting of the International Wool Study Group. The United States, as a heavy wool importer, must keep abreast of the world conditions in this commodity.

5. Publications issued throughout the year included: (*a*) Foreign Agriculture (monthly); (*b*) Foreign Crops and Markets (weekly); (*c*) Foreign Agriculture Circulars (current releases); (*d*) Foreign Agricultural Trade (monthly summary).

6. Annual publications also are issued which furnish data on United States foreign trade in agricultural products, both on a calendar-year and a fiscal-year basis, with commodity and country breakdowns.

Statement of obligations under allotments and working funds

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Research and Marketing Act of 1946 (title II), Department of Agriculture (Office of Foreign Agricultural Relations): For marketing research service	$202,608	$180,000	$140,000
Removal of surplus agricultural commodities, Department of Agriculture (Office of Foreign Agricultural Relations): For obtaining information on foreign market developments and other data related to the international aspects of the work under sec. 32 of the act of August 24, 1935	50,896	51,500	51,500
Working fund, Agriculture, general (Office of Foreign Agricultural Relations), advanced from:			
Department of State: For training of German leaders in the fields of food and agriculture	201,700	10,604	----------
National Military Establishment, Department of the Army: For training of foreign nationals in the general field of agriculture	33,963	12,019	----------
National Security Resources Board: For conducting an apparel wool survey	1,700	----------	----------
Total, working fund, Agriculture, general	237,363	22,623	----------
Expenses of defense production, Executive Office of the President (allotment to agriculture) (Office of Foreign Agricultural Relations): To perform certain services in connection with the establishment of priorities and allocations as authorized under part I, sec. 101 of Executive Order No. 10161, dated Sept. 9, 1950	----------	[1] 15,000	----------
Economic Cooperation Administration, Executive Office of the President (allotment to agriculture) (Office of Foreign Agricultural Relations): For preparing statistical information on agricultural conditions and food balances in countries participating in the European recovery program	89,966	40,089	----------
Expenses, Economic Cooperation Administration (allotment to agriculture) (Office of Foreign Agricultural Relations): To carry out training programs in accordance with the provisions of the memorandum of agreement between the Economic Cooperation Administration and the Department of Agriculture, approved Aug. 8, 1950	2,525	147,185	----------
Expenses, international development, Executive Office of the President (allotment to agriculture) (Office of Foreign Agricultural Relations): For promoting in Latin America and the Eastern Hemisphere the production of complementary crops, and for training of foreign nationals in agricultural research	962,900	[1] 615,525	----------
Total, obligations under allotments and working funds	1,546,258	1,071,922	191,500

[1] Allotment as of Dec. 31, 1950.

Summary statement of allocations from "Expenses, international development, Executive Office of the President" and "Expenses, Economic Cooperation Administration, Executive Office of the President"

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Expenses, international development, Executive Office of the President (allotment to agriculture):			
Funds allocated as of Dec. 31, 1950, and shown in the respective statements for the bureaus involved:			
Bureau of Agricultural Economics		$20,400	
Office of Administrator, Agricultural Research Adminstration		6,500	
Bureau of Plant Industry, Soils, and Agricultural Engineering		211,500	
Soil Conservation Service		5,700	
Extension Service		5,100	
Office of Foreign Agricultural Relations		615,525	
Balance shown in the budget schedules of the State Department pending allocation to agriculture		5,565,849	
Total		6,430,574	
Expenses, Economic Cooperation Administration, Executive Office of the President (allotment to agriculture):			
Funds allocated as of Dec. 31, 1950, and shown in the respective statements for the bureaus involved:			
Bureau of Agricultural Economics		5,100	
Office of Administrator, Agricultural Research Administration		35,400	
Forest Service		4,920	
Soil Conservation Service		8,130	
Extension Service		12,420	
Office of Foreign Agricultural Relations		147,185	
Balance shown in the budget schedules of the Economic Cooperation Administration pending allocation to agriculture		1,786,845	
Total		2,000,000	

POINT 4 PROGRAM

Mr. HORAN. Could we have some comment on page 409 so we could have a complete grasp of that?

Mr. ANDREWS. This is the so-called point 4.

Mr. WHITTEN. You might explain that program.

Mr. ANDREWS. This is the agricultural side of the point 4 program.

Mr. WHITTEN. There again the appropriation is not handled by this committee, but you get that by transfer?

Mr. ANDREWS. This transfers over to us and we simply have to hire the personnel and hire the people to man this program and run it. We run it through our office and this of course is the total over-all projected program in the point 4. I think up to December 31 of this year we had been transferred about $600,000 in the 1951 fiscal year. I imagine there will be around $2,000,000 transferred to us the first of the year up to June 30. We may not be able to come anywhere near this total program, which was originally outlined, first, point 4 work has first gotten off to an awful slow start; second, Dr. Bennett, I think wisely, is more or less resurveying and reanalyzing and redetermining just what we ought to do on this point 4 business in the light of the present emergency. In other words, instead maybe of having a very idealistic program in some countries, and spending considerable money for the general development of the country, if that country happens to be of real strategic importance to us, if it happens to be an area from which we can get and need complementary materials, such as fibers and coconut oil and mate-

rials that we have got to have, he thinks and I certainly agree with him that maybe we ought to reemphasize and direct those efforts toward that specific thing.

It may sound a little selfish and not quite as altruistic but I think the program will stand on that sort of a merit better than it will on the other.

Mr. WHITTEN. I think it will also go over better in that country. You know those countries are suspicious of something for nothing. I never have seen any group yet that was not. I recently had occasion to talk to some of the folks about those programs where we furnish technicians and require the benefiting country to finance the rest of it. Surprisingly, the programs have gone over much better where we make them finance it than where we try to do it for them.

Mr. ANDREWS. That is the principle. Of course, as you know, the Department of Agriculture has been running cooperative projects in about 14 Latin-American countries under State Department's general direction, but they transfer the money with it and it is astounding how well that works out and how, after you get started, the other country's contribution of money and people increases much faster than ours do.

Mr. HORAN. One is State Department and the other is ECA proposition?

Mr. ANDREWS. Yes, sir.

Mr. WHITTEN. It is a tentative set-up that will go before the subcommittee on appropriations. As you have indicated, even those figures are being changed.

ECA TRAINING PROGRAM

Mr. ANDREWS. That is right. This program down here on ECA is the training program. I guess, as you gentlemen know, ECA is bringing large numbers of nationals from many countries over here and I am not trying to brag on this, but up until about the middle of this last summer, that work was in chaos here. The people had come in here; they would be received by ECA and wander up and down the halls over in Agriculture, and nobody handling them. Finally we set up in the Department of Agriculture and in OFAR the foreign student advisory training program, in which these various agencies—Army ECA, and point 4, actually pay for and we have got top-flight people from the Extension Service, the ARA, and other agencies, working through Agriculture out to the colleges and these people come in in a formalized way and they actually, we hope and we honestly believe, are getting training and getting their money's worth. Or I would say this: The United States is getting some returns on this expenditure, which was sometimes I thought just a glorified tourist deal, but now they come in here, they are met at the docks; we know who they are; we know what their backgrounds are, what they want to see; they are trained in Agriculture. We have a training program for them. They go out in the various places in the United States and usually end up in some college where there is an intensified course. We try to give them everything there is to give so far as the United States is concerned.

That work is getting to be a tremendous thing. There will probably be three or four thousand people go through this year.

Mr. HORAN. Where do funds come from for that?

Mr. ANDREWS. ECA.

Mr. HORAN. Is that $147,000?

Mr. MICHELSON. That is right. The larger amount indicated goes for per diem and travel for the trainees themselves. We handle the trainees and administer the money. The $147,000 is for administrative backstop to the expenditure of the larger amount indicated on page 409 for these purposes.

Mr. ANDREWS. When you take 30 or 40 fellows out to Beltsville and wander around, it takes somebody in ARA to guide these people. Somebody has to take time and teach classes and certain moneys are passed over to that particular bureau to pay for this service.

Mr. ROBERTS. I would like to be sure the committee understands that the OFAR items on page 409 are also shown on pages 407 and 408. The table on 409 is merely a summary, for the information of the committee, of all the funds that come to Agriculture, including OFAR, from these two sources. The activities are supervised so far as Agriculture is concerned, by the Office of Foreign Agricultural Relations.

FUNDS REQUESTED

Mr. HORAN. Could I inquire what you asked of the Budget as an over-all total for OFAR?

Mr. ANDREWS. We asked them for $822,000 for 1952. It is our impression that the Bureau of the Budget, in cutting us back to $600,000, felt that this matter of the questions which the Congress legitimately has raised about this State Department and Agriculture set-up should be clarified; that the Congress would have to be satisfied that things are on the way to solution before they would increase the budget.

Mr. HORAN. I have the same feeling, Mr. Chairman, but it has been the attitude of this subcommittee at least to try to keep our foreign arm of the Department of Agriculture intact while we went through all this phase of point 4 and all of this sort of thing, some of which admittedly needs to be clarified, and it isn't very practical. We would like to have somebody that is going to serve the American farmer and also keep open our channels of supply for things we don't produce here.

Mr. ANDREWS. Of course, Mr. Horan, we couldn't agree with you more, being the people who are trying to get a competent and well-organized staff there. As I said before, if you want justification of that, every fellow has to fight for his cause but to cite cases, as I mentioned awhile ago, and I don't mind admitting it right here—I don't want to make a point of it—but when we get an emergency call like this business on India and Yugoslavia, the chances are some men may have to assist temporarily no matter what the source of funds may be.

These jobs are actually part of the Department of Agriculture responsibility, not only to farmers but to the rest of this Government, inevitably. The only thing I was pleading for in this presentation of the budget, which is backed up by the Secretary to the hilt, was just a small efficient staff that is flexible, that we can reasonably do these jobs in our own work and do it in a decent way, and $822,000—I think if this office had a million dollars, that would be more than it needed

for its own ordinary kind of work, but it does need a little more than it is now getting, and that is the reason we presented it here.

Now Mr. Roberts, have I translated the attitude of the Budget on this thing right?

Mr. ROBERTS. Yes, I have the same impression.

ADMINISTRATIVE COSTS

Mr. WHITTEN. How about all this money that you do handle? Do they have to pay any administrative costs?

Mr. ANDREWS. Yes, sir; some.

Mr. WHITTEN. You can meet your requirements, though you don't prefer to do it that way. Can you do it by requiring ECA to pay for some people in your central office?

Mr. MICHELSON. We apply an administrative cost factor and budget for it.

Mr. ANDREWS. So far as the Government is concerned, I guess it is really swapping dollars, but from the standpoint of trying to administer an office, keeping track of all of these funds and keeping the man-hours that is devoted against those funds is a fantastic administrative job and it simply doesn't make good sense.

Mr. MICHELSON. Transferred funds, I might point out, are subject to audit and careful inspection as to how they are spent and it would therefore be very difficult to use one fund for another purpose.

Mr. ANDREWS. And keeping track of them is a big administrative job that we shouldn't be called upon to do, and the fellow that sits down and works on project A puts his time down, and project B puts his time down. That sort of thing does not make for good administration; it doesn't make too good sense.

Mr. ANDERSEN. Are you people on a 40-hour week?

Mr. ANDREWS. Yes, sir.

Mr. ANDERSEN. Would it not help a little if they worked Saturday mornings?

Mr. ANDREWS. As far as I am concerned, I am perfectly willing to work and I think the staff would.

Mr. ANDERSEN. I know you are. Don't you think it would be good policy if, during this war, as the chairman has previously suggested, we should be entitled to 44 hours out of the governmental employees, without time and one-half for overtime?

Mr. HORAN. How do you work out overtime on a man dealing almost entirely with policy?

Mr. ANDREWS. We do nothing.

Mr. ROSSITER. He does it on his own.

Mr. ANDERSEN. I presume he is like Congressmen. There are no hours for them. In fact we need more hours than there are available to get our work done.

Mr. ANDREWS. I am not bragging. I get to the office at 20 minutes after 8 and leave at 6:05 each evening.

Mr. ROSSITER. Only secretaries and clerks lower than GS–7 are paid overtime.

Mr. MICHELSON. That is an internal administrative policy.

Mr. HORAN. A good share of these men who are actually representing various commodities abroad would draw very little overtime.

Mr. ROSSITER. They don't receive any overtime.

EXPANSION OF COMMODITY WORK

Mr. ANDREWS. To answer specifically the Congressman's question, in our budget estimates of $822,000, which is $222,000 above what is specified here, we asked for $50,000 to expand the commodity work. As a case in point, with the Asian situation like it is, rice, which constitutes the great amount of food for that mass of people; it is not too much concern here in the United States. We need to put on a rice man. There is the question of jute, which is something we have to have for sugar sacking and certain bagging. It is a tremendously important thing. We need to add a man to follow that and keep up to date on it, find out where we can get expansion and means of getting it. In the so-called commodity field, we need more work on coffee and wool.

The wool thing has been a terrific headache here in the light of the present world situation.

Then the regional branch. That is the outfit that deals with the trade agreements and the tariff, and I know Mr. Horan is familiar with that. But the facts are: Unless you know your stuff and you are able and have people who can go into the detail of all these tariff problems and their implications, you are licked before you start in a conference like Torquay or any other place.

I am not making any apologies for what we failed to do there. The sessions are secret, but I can tell you: if there wasn't somebody who has some concept of what the needs of agriculture are and what the problems of agriculture are, we would be traded out of our eye teeth a lot more than we are, because it is a fight morning, noon, and night; not because it is a deliberate attempt of somebody to gouge agriculture —I don't believe that; I believe, in fact, it is ignorance. They don't know the implication of these problems. There we stepped up our requirements. We need $150,000 to carry on that work and with these amendments to the Tariff Agreement Act—I am not here to criticize one way or another the amendments—but, if one of those amendments goes through, we will need a battalion to keep the Secretary up to date on his responsibilities.

Mr. HORAN. Before we had the Office of Foreign Agricultural Relations—and you take a very active part in these trading teams—how was Agriculture represented in reciprocal trade-treaty negotiations?

Mr. ANDREWS. You see, you didn't have treaty negotiations until recently.

Mr. ROSSITER. We have always been represented.

Mr. ANDREWS. It was between countries, bilaterally. It was between the United States and Great Britain or some other single nation, and we had a representative in there on that particular thing; but, you see, Geneva and Annecy and Torquay are the big groups.

Mr. HORAN. They grew out of the war.

Mr. ANDREWS. That is right.

Mr. ROSSITER. They keep adding a group of additional countries every time they get together.

Mr. ANDREWS. Another need in the regional branch is a specialist on Africa. The State Department is weak in Africa. We have no attachés except Egypt and the Union of South Africa. Yet, for anybody that knows anything about what the present plans and the present world struggle is, north and west Africa is just the most vital

place and we are absolutely blank, not only on specialists who know anything about the crops but attachés out there.

Mr. HORAN. Is there anything in the mill that would throw more light on this as far as we are concerned in terms of what the subcommittee may be asked to do for State Department appropriations before we write up our bill?

Mr. ROSSITER. I think it might be well to defer that question, Mr. Chairman, as Mr. Cooley has told us that he is going to make a report to the Agriculture Committee on his findings in Europe and the Middle East in respect to the need for agriculture attachés, if that is satisfactory.

Mr. ANDREWS. I think he is counting on filing a copy of that report.

Mr. HORAN. Personally, I am interested in this item. We want all the light we can get on it before we write up our bill.

Mr. ANDREWS. That is right. For International Conference, we requested an additional $22,000; International Cotton Agreement, International Wheat Committee, International Wool Committee—those are all in process of negotiation, all in the process of going back and forward and allocations, and so forth. That is what we are asking the additional information for.

Mr. Chairman, I am talking too much and taking too much time of the committee. Since the committee is so interested in this general work, since you have repeatedly expressed your concern at not only what the State Department's responsibilities are and what they do in this thing, but to some extent ours, we are to blame for some of our own troubles—we have written out here in just three little pages what we think are the essentials for this office.

Mr. WHITTEN. We will be glad to have that.

Mr. ANDREWS. I would like to put it in the record, sir.

(The information is as follows:)

WHY AND WHERE FOREIGN AGRICULTURAL WORK MUST BE STRENGTHENED

American interest in foreign agriculture has grown rapidly, for the following main reasons: (1) Dependence of many American farm products on foreign markets, often restricted by trade barriers and controls; (2) supply problems of the United States and allies in times of war and other emergencies; (3) agriculture in the strength (or weakness) of actual and potential enemies; and (4) the role of agriculture and food in implementing the foreign policy and international programs of the United States for the economic advancement, military strength, and political stability of friendly nations.

For these reasons, foreign agricultural work in the Department of Agriculture, cooperating with the Department of State, must be strengthened in its three principal phases:

I. More agricultural attachés for assignment to several countries where none is serving now, and stronger support for their work. They represent the agricultural interest of the United States abroad and are the source of primary data and first-hand interpretation of the agriculture of foreign countries. Functioning within a unified Foreign Service, they should be in close contact with the Secretary of Agriculture and responsible to him in subject matter, as he is in fact held responsible for the Government's agricultural work abroad as well as at home.

II. More commodity specialists for work chiefly abroad, devoting their time to international commodity problems of concern to American agriculture, trade, and public policy. They are needed not only in finding markets in "normal times" but also in meeting the special commodity problems that arise in times of shortage, national emergency, and even war. Their work should be under the Secretary of Agriculture and financed by appropriations for his Department, and therefore subject to annual review by the agricultural appropriations committees of Congress.

III. More adequate budget and staff for the Office of Foreign Agricultural Relations, to enable it (*a*) to interpret and make available (to Congress, Govern-

ment departments and defense agencies, agriculture and its organizations, and the public generally) the information obtained from abroad, adapting it to problems of trade, emergency aid, and international allocation of commodities, etc.; (*b*) to represent the Secretary in giving aid and guidance to agricultural attachés, in cooperation with the Department of State; (*c*) to represent the Secretary in reference to the international aspects of agricultural policy and programs; (*d*) to participate for agriculture in various international arrangements, including commodity agreements, conferences, and trade negotiations; (*e*) to back up and broadly supervise technical assistance programs under point IV where responsibility for such programs have been assigned to the Department of Agriculture.

With present appropriations and staff, it is not possible for this Office to meet adequately the proper demands made upon it. On it depends in large part the realization of the full value of the work under points I and II, above.

Mr. WHITTEN. I do not know whether we will have the time. Perhaps we should have the State Department before the committee. I recall 3 years ago one of the hardest fights I had before the Congress was to get Army witnesses before the subcommittee for the Navy. I could show by the records where we would save $350,000,000.

Mr. ANDREWS. I found this in my conferences as late as yesterday with the State Department people. They have done a tremendous amount of work on this budget problem, and they have a book this thick [indicating] in which they are trying to break this out and show just what they are doing, and I think in the next budget at least they will be prepared and we can come in here and show you what is being spent for agricultural attachés abroad, where they are and what they are; and I hope, sir, that before very long we can file into the record in the Appropriations Committee an honest-to-goodness agreement between the two Departments which will at least mitigate most of the things which have been bothering us. We have our problems, too.

Mr. WHITTEN. Are there any further questions? Mr. Andrews, we thank you very much for a very fine presentation.

Mr. ANDREWS. Thank you for hearing us here. I do appreciate the fact you are taking the time to do it.

WEDNESDAY, FEBRUARY 14, 1951.

OFFICE OF EXPERIMENT STATIONS

WITNESSES

E. C. ELTING, ACTING CHIEF, OFFICE OF EXPERIMENT STATIONS
DR. H. C. KNOBLAUCH, ASSISTANT CHIEF, OFFICE OF EXPERIMENT STATIONS
DR. F. D. FROMME, RESEARCH COORDINATOR, OFFICE OF EXPERIMENT STATIONS
WALWORTH BROWN, ADMINISTRATIVE OFFICER, OFFICE OF EXPERIMENT STATIONS
JOSEPH C. WHEELER, ASSISTANT DIRECTOR OF FINANCE, UNITED STATES DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$7,406,208	$12,416,208	$12,453,708
Comparative transfer from "Research and Marketing Act of 1946, Department of Agriculture"	4,984,636		
Total obligations	12,390,844	12,416,208	12,453,708

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Payments to agricultural experiment stations	$12,256,167	$12,266,208	$12,303,708
2. Federal administration under Bankhead-Jones Act, sec. 9, title I (act of June 29, 1935) as amended by the act of August 14, 1946 (Research and Marketing Act of 1946)	134,677	150,000	150,000
Total obligations	12,390,844	12,416,208	12,453,708

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	27	27	27
Full-time equivalent of all other positions	2	...	...
Average number of all employees	25	27	27
01 Personal services:			
Permanent positions	$109,002	$129,672	$129,110
Part-time and temporary positions	1,780	...	...
Regular pay in excess of 52-week base	413	...	440
Payment above basic rates	310	328	350
Total personal services	111,505	130,000	129,900
02 Travel	15,447	15,000	15,000
03 Transportation of things	5	100	100
04 Communication services	989	1,000	1,000
06 Printing and reproduction	1,518	2,000	2,000
07 Other contractual services	...	200	200
Services performed by other agencies	317	200	200
08 Supplies and materials	499	1,000	1,100
09 Equipment	4,397	500	500
11 Grants, subsidies, and contributions:			
Hatch Act, approved Mar. 2, 1887	720,000	720,000	720,000
Adams Act, approved Mar. 16, 1906	720,000	720,000	720,000
Purnell Act, approved Feb. 24, 1925	2,880,000	2,880,000	2,880,000
Bankhead-Jones Act, secs. 3 and 5, title I (act of June 29, 1935)	2,863,708	2,863,708	2,863,708
Bankhead-Jones Act, secs. 9 and 11, title I, of the act approved June 29, 1935, as amended by the act of Aug. 14, 1946 (Research and Marketing Act of 1946)	4,849,959	4,850,000	4,850,000
Hawaii Act, approved May 16, 1928	90,000	90,000	90,000
Alaska Act, approved Feb. 23, 1929	15,000	15,000	15,000
Alaska Act, approved June 20, 1936, as amended by the act of Aug. 29, 1950	27,500	37,500	75,000
Puerto Rico Act, approved Mar. 4, 1931	90,000	90,000	90,000
Total obligations	12,390,844	12,416,208	12,453,708

Mr. WHITTEN. This morning we will take up the Office of Experiment Stations. We are glad to have with us Mr. E. C. Elting, Acting Chief, Office of Experiment Stations, and his associates.

First, I will put into the record pages 82 through 85 of the justifications.

(The material referred to follows:)

PURPOSE STATEMENT

The Office of Experiment Stations as presently organized was established in 1888 following passage of the Hatch Act of 1887 authorizing Federal grants for State agricultural experiment stations.

The primary function of the Office of Experiment Stations is the administration of the acts of Congress authorizing Federal-grant funds for research at the agricultural experiment stations of the land-grant colleges in the States, Hawaii, Alaska, and Puerto Rico. A major responsibility involved in this function is the coordination of research effort among the State experiment stations and between these experiment stations and the research agencies of the Department of Agriculture. The Office also has responsibility for operating the Federal Experiment Station in Puerto Rico.

Grand fund administration.—Administration of grants to the States involves (1) advance approval of each individual research proposal financed in whole or in part from the Federal-grant funds to assure their efficient and legal use; (2) close advisory relations with the experiment stations with reference to the character, quality, and conduct of the research for which funds are expended; (3) annual examination in the field of research and expenditures of each experiment station under the several grant acts; and (4) preparation of an annual report to Congress on this research and the expenditures, as required by law. There are currently active approximately 4,200 specific lines of agricultural investigations being financed from Federal-grant funds which are a responsibility of this Office, as well as approximately 5,100 other lines of inquiry at the State agricultural experiment stations which are supported from non-Federal funds.

Research coordination.—The Office participates actively in the planning and coordination of research among the experiment stations and between the stations and the Department of Agriculture. Members of the technical staff of the Office (1) assist the States in planning cooperative research programs to secure integration and the fullest coordination; (2) assist Federal research agencies in arranging for cooperation with the States; (3) actively participate in planning conferences and work groups engaged in development of regional research involving two or more States; and (4) suggest to the States lines of inquiry most needed to establish well-rounded regional programs.

The Office is also responsible for administering the Federal Experiment Station in Puerto Rico which serves as a tropical outpost of the Department for the conduct of agricultural research dealing principally with the development and production of crops of strategic importance which can be grown only in the tropics and with other crops which may be of economic importance especially to the Southern States.

As of November 30, 1950, the Office had 114 employees, 66 of whom were in Washington and the balance in the field.

	Estimated, 1951	Budget estimate, 1952
Appropriated funds:		
Payments to States, Hawaii, Alaska, and Puerto Rico	$12,416,208	$12,453,708
Salaries and expenses	407,500	400,000
Total	12,823,708	12,853,708

Summary of appropriations, 1951, and estimates, 1952

	Total estimated available, 1951	Budget estimates, 1952	Increase (+) or decrease (−)
Payments to States	$12,416,208	$12,453,708	+$37,500
Salaries and expenses	407,500	400,000	−7,500
Total, direct annual appropriations	12,823,708	12,853,708	+30,000

Payments to States, Hawaii, Alaska, and Puerto Rico, for agricultural experiment stations

Appropriation Act, 1951	$12,416,208
Budget estimate, 1952	12,453,708
Increase (to strengthen the research program of the Alaska Agricultural Experiment Station, as authorized by the Alaska Station Act of June 20, 1936, amended by the act of August 29, 1950)	+37,500

Project statement

Project	1950	1951 (estimated)	Increase	1952 (estimated)
1. Hatch Act (Mar. 2, 1887)	$720,000	$720,000		$720,000
2. Adams Act (Mar. 16, 1906)	720,000	720,000		720,000
3. Purnell Act (Feb. 24, 1925)	2,880,000	2,880,000		2,880,000
4. Bankhead-Jones Act, secs. 3 and 5, title I (act of June 29, 1935)	2,863,708	2,863,708		2,863,708
5. Bankhead-Jones Act, secs. 9 and 11, title I, of the act approved June 29, 1935, as amended by the act of Aug. 14, 1946 (Research and Marketing Act)	5,000,000	5,000,000		5,000,000
6. Hawaii Act (May 16, 1928)	90,000	90,000		90,000
7. Alaska Act (Feb. 23, 1929)	15,000	15,000		15,000
8. Alaska Act (June 20, 1936) as amended by the act of Aug. 29, 1950 (Public Law 739)	27,500	37,500	+$37,500	75,000
9. Puerto Rico Act (Mar. 4, 1931)	90,000	90,000		90,000
Total available	12,406,208	12,416,208	+37,500	12,453,708
Transfer to 1951 estimates from "Research and Marketing Act of 1946, Department of Agriculture"	−5,000,000			
Total appropriation or estimate	7,406,208	12,416,208		

Mr. WHITTEN. We will be glad to have your general statement, Mr. Elting.

GENERAL STATEMENT

Mr. ELTING. Thank you, Mr. Chairman. We are glad of the opportunity to again present to the committee the status of the research program in the State agricultural stations which are supported in part by the funds which are under discussion this morning.

OPERATION OF THE STATE AGRICULTURAL EXPERIMENT STATIONS

The agricultural experiment stations over the years have played a strong role in the over-all program of agricultural research in this Nation.

We can report today that the stations are in a strong, virile condition, that they are carrying on a program well adapted to the needs of the respective States which they serve and that there are certain trends that are worthy of note, particularly the trend toward stronger teamwork and regional effort that is strengthening their program.

The total employment in the experiment stations at the close of the 1950 fiscal year stood at nearly 7,000. Of that number, about 3,300 were full-time research employees, the remainder were engaged jointly in research and teaching or extension work.

It is significant that that figure represents an 18-percent increase from the preceding year. I mention those figures simply to emphasize the point that the stations are well staffed and prepared to carry on a strong program.

The experiment stations today, in common with practically every other organized group in our Nation, are conscious of the need for gearing their program to best serve the emergency situation in which we now find ourselves.

Mr. WHITTEN. I do not mean to be facetious, but you make the statement that they are looking around to give their effort to the present emergency. Frequently, we find the one thing we overlook

is properly curtailing the work, which is also a possibility in connection with the emergency.

It is one thing to transfer your effort to that where it will do the most good. Sometimes I wonder in connection with our present monetary troubles if we should not curtail this activity.

It is not directed to you particularly. But it is one possibility that we all are going to have to give thought to. That is not the thing that makes everybody happy, but we may be forced to do it.

CONTRIBUTION OF RESEARCH TO THE DEFENSE EFFORT

Mr. ELTING. I am sure, Mr. Chairman, every activity must be carefully appraised on the basis of the contribution it can make. I believe strongly that on careful analysis it will be the opinion that research can make a powerful contribution to our strength and well-being during such an emergency period.

I believe that fact is borne out if we will review carefully the activities during the recent war period through which we passed.

When I make that statement, I hasten to add that that does not mean business as usual, that it means mobilizing our efforts in a way that will best serve the Nation's needs.

We have had expression recently from a large percentage of the experiment station directors to indicate how completely conscious they are of this; also that they may be faced with a curtailment.

Certainly they will be faced with adjustments in their program, in order that they can yield the best results.

Mr. WHITTEN. You understand that it does not make us happy to raise this question, because the members of this committee are as much interested in agriculture as you folks in your Department, or as anyone else.

But, charged with the responsibility that all of us now are, we do have to think of that possibility. Off the record.

(Discussion off the record.)

COORDINATION OF WORK WITH STATES

Mr. WHITTEN. But, briefly, to refresh my memory as to how your organization is set up: the various States have experiment stations; some of the money for the operation of those stations is paid through the acts of Congress from the Federal Government; the local stations select their work and set up their own program, subject to the approval of your central office here?

Mr. ELTING. As far as the program financed by the Federal grant funds is concerned.

Mr. WHITTEN. In the marketing program, you have had some say so about the regional projects, or have you had contact with that?

Mr. ELTING. The law specifies that the Office shall participate in the planning and programming of the regional research. So, we have had a very active part in that, which is one of the phases of the work provided for under section 9 of the Research and Marketing Act.

Mr. WHITTEN. Various States have similar problems, but due to their difference in geography you have to carry on what appears to be the same project at two different stations. But really they are not. I am speaking of the problems which may be sufficiently different that you have to carry on the work at several locations.

It does give you the opportunity, since you approve the work in which Federal money plays a part, to coordinate the effort so that you are not needlessly duplicating this work, does it not?

Mr. ELTING. Yes, sir; that is true.

Mr. WHITTEN. In addition to that, you just mentioned that right after the war you had considerable trouble getting sufficient scientists to carry the work on as the various experiment stations would like. Right now you have your stations in a stronger position than you have had at any time for quite some years anyway, because you have more scientists and experts.

AVAILABILITY OF PERSONNEL

I have heard of two or three instances where several of your people in the experiment stations are considering transferring to other jobs because of difference in salary, and things of that sort. What is the outlook as to the year ahead, or the next few years? Are you going to begin to lose some of these people to where it would perhaps pay you to curtail some of your effort until the situation straightens out and you can get these people back? What is your view of the years ahead?

Mr. ELTING. There are uncertainties ahead, certainly. We know there will be strong competition for manpower. Another important factor perhaps is the fact that we do have a number of reserve officers on the staffs of our institutions.

To counterbalance that is the relatively large crop of young scientists that are now available as potential replacements for those who may be lost.

We do not foresee difficulties in staffing in the near future, certainly not in the year immediately ahead. The intensity of this emergency period could change that, of course, as it did in the early 1940's, when scientists were drawn from the stations, as well as other research organizations, and put into the armed services.

As I say, we do not see any serious difficulties in the year immediately ahead.

Dr. KNOBLAUCH. If I might supplement that, there is another trend, of course, and we do not know how far it might develop. There is a tremendous loss of student body at the land-grant colleges.

With that loss of student body, a certain portion of those faculty members jointly employed in teaching and in research would be able to devote more time to the research program. This applies, of course, only to those who are qualified to do research.

I think the over-all picture, as you have probably reflected already, is causing the land-grant colleges a lot of concern. There might be a satisfactory adjustment made within the institutions to carry forward the research program.

RESEARCH ON MARKETING

Mr. WHITTEN. Much of your research through your experiment stations is production research, and things of that sort. You also have some RMA work, do you not?

Is there anything in the future that should cause us to have a resurvey as to the advisability of approving projects which have to do with surpluses, and things of that nature, in this period when apparently we are going to be faced with shortages rather than surpluses?

Mr. ELTING. There are many aspects of the so-called marketing program which has been expanded greatly in the past 4 years.

I would say surplus is but one segment of the marketing problem. And conceivably, in a period of emergency, assembly, transportation, effective storage and processing, and other aspects of the whole program of distribution of our agricultural crops would cause a change in emphasis.

But I still question whether it would merit a serious curtailment of the program. I would think of it rather in terms of adjusting to those problems which are most likely to become acute.

Mr. WHITTEN. In other words, if you had tremendous surpluses of apples it would make very little difference if they decayed en route or at the stores, but if you were short it might pay to give more attention to proper storage so as not to have the losses; is that your idea? I think it is a sound one, to be frank with you.

If you are in a period where everything counts, attention not to lose any of it by storage or wastage would be more important than in times of surplus.

Mr. ELTING. I think that undoubtedly is true, sir.

ALASKA EXPERIMENT STATION

Mr. WHITTEN. I noticed last year that we made an increase of $10,000 for an additional employee at Tanana Valley, near Fairbanks. Also, there was $20,000 additional granted under the Alaska research appropriation, which was based on a need for increased soils work in Matanuska Valley, and a study of animal diseases, as well as several other projects.

What report do you have on those projects today, and what do you contemplate next year?

Mr. ELTING. The increase last year was $10,000, which completed the authorization to Alaska under the act of 1936.

We have accomplished what was proposed a year ago, with some lag in time. The plant pathologist, particularly referred to last year, has been employed. He will be able to initiate an active program with this growing season in Alaska. We feel it fills an urgent need there.

As was pointed out a year ago, the disease problem in the cereals and potatoes and vegetables is very serious.

We feel the ability to employ the pathologist on the staff, to equip him to do a job there, is an important addition to our activity.

I wonder, Mr. Chairman, if before we proceed to the details, we might have the privilege of presenting two or three rather simple exhibits, which I feel will give the committee a better understanding of the over-all situation, and then proceed with such details as you may desire?

Mr. WHITTEN. We will be glad to have that.

Mr. ELTING. I think it will take only a few minutes and will be of interest.

STATE EXPERIMENT STATION FUND SOURCES

The first exhibit we have deals with a matter which you referred to a few minutes ago, the sources of support for our State experiment station program.

The fact that the Federal funds constitute only a part is apparent. We would be glad if you would examine the simple chart which we have covering that point. The chart which you have before you goes back to 1920, and points out the relation that has existed over those years between the Federal appropriations and the non-Federal appropriations available to the State experiment stations.

The dark portion at the base of the chart represents the Federal appropriations.

You will note in recent years, even during a period of expanded Federal appropriations, there has been essentially the same ratio maintained, that is, a ratio very close to $4 of non-Federal money to each dollar of Federal appropriation.

It emphasizes one point, that the States have increased their support to the extent that the increased Federal appropriation under the Research and Marketing Act, without questioning, has permitted an expanded program.

There has been no tendency to use those funds to simply meet increased expenses of operation, because the States have more than met that need.

The expansion in dollars since 1946, I think, has been particularly striking. In the last year the stations did expend a total of over $57,000,000.

COORDINATING EFFECT OF FEDERAL GRANTS TO STATES

Mr. WHITTEN. One of the prime benefits of having the Federal Government in this picture is the fact that in a project in which your money goes it gives you an opportunity to coordinate the efforts of the various States, which, in the absence of Federal funds would be entirely on a State basis; is that right?

Mr. ELTING. That is correct. A great deal of the non-Federal funds actually go to provide additional support and provide the physical facilities for the same projects which are supported by the Federal grant funds.

So, we have a direct opportunity to coordinate and review a much larger portion of the total program than would be indicated by this relation, because, as I say, much of the non-Federal money is expended on those lines of work which are approved by this office.

DISTRIBUTION OF FUNDS BY SUBJECT MATTER

The second exhibit we have is an attempt to show how the money is distributed among the main subject-matter fields. I think it will be of particular interest to the committee in that it will give you some insight to where the research and marketing funds have been applied in relation to the remainder of the program.

The 13 categories indicated on this chart are simply a device for dividing the total program. Under each of them there is presented three lines showing funds from different sources.

The first one is the funds under the Hatch, Adams, Purnell, and Bankhead-Jones provisions. The second line is the funds under section 9 of the Research and Marketing Act. The third line is the non-Federal expenditures.

The black portion of the second line represents the regional research fund provided under the provisions of section 9 B 3.

I would emphasize again the statement I made with reference to the other chart, that while the research and marketing funds here are classified under the same categories, the work represented there was new work and not simply application of the funds to continuing lines of work which had existed prior to that time.

There has been marked expansion in marketing work, as is indicated by category 1. You will note the largest single segment of the regional money has been applied in that field.

In the second category the major work is in two fields, in mechanization of crop production, and in farm buildings and structures.

The regional portions appearing under categories 3 a, b, and c are noteworthy in that they represent our regional programs in the field of large-animal breeding, particularly beef cattle and dairy cattle, where we have now been able to develop through regional effort a program that could never have been attained through the individual efforts of the stations.

Dropping down to category 11, on "Human nutrition and home economics," you find that field has been greatly strengthened and expanded by funds provided under the Research and Marketing Act.

DISSEMINATION OF RESEARCH INFORMATION

The third exhibit we have deals with a question that has been raised a number of times during the past year by various groups. It has been a matter of concern to the Agricultural National Research Policy Committee. Reference was made to it in the special study group created by the House Committee on Agriculture last summer, to study the current status of the research program.

That is the dissemination of research information. The charge has been made at times that the experiment stations were not doing as good a job as they should in that field of disseminating information.

Without claiming perfection, I would like to show you certain exhibits which will give you at least an understanding of the different channels through which information is disseminated, if we may show you briefly three small panels.

Mr. WHITTEN. We will be glad to have them.

Mr. ELTING. We will attempt to divide this problem of disseminating research information into three categories. The first of which we have called reporting progress on research.

ANNUAL REPORT OF EXPERIMENT STATIONS

That is done through two main media, through the media of the annual reports of the experimental stations, which are essentially progress reports on all lines of work underway.

I am sure you have had an opportunity to examine experiment station reports from the various States. While they are not entirely uniform in style they all serve the general purpose of reporting to the public work that is in progress.

I would say these constitute an important medium of coordination, of making known to other States lines of work that are in progress, and a basis for exchanging ideas and, to some extent, developing cooperative relations.

TECHNICAL JOURNALS

The second category, which represents a very important outlet for research findings, is the technical journals. I call your attention to a figure there of nearly 3,400 articles and scientific reports which appeared in the various scientific journals, which cover practically all phases of agriculture, as you will note, the soils, the crops, the plant diseases, entomology, animal science, dairy, poultry, veterinary research, farm economics, and agricultural engineering. So, we do have journals that give a rather complete coverage. It puts the information in an available form as building stones from which research progresses.

The second panel deals with the formal publications of the experiment stations, essentially the bulletin and circular series. Those are broadly divided into two categories, the technical bulletins, which are not widely distributed, and yet which serve a very useful function in making a permanent record of basic facts and data, again upon which research progresses.

As is indicated in this case, very often a technical bulletin is then translated into popular style for distribution and use immediately on the farm.

Here is a detailed recording of the research on the irrigated soils in Oklahoma, which shows the dangers of salt accumulation. Here is the same information put out in popular and usable style for the farmer.

Several different features are illustrated in some of these. This illustrates a regional publication where, as you see from a little block on the map, several States have pooled their efforts in getting out one publication which has wide application.

Here is an illustration of a three-way cooperation between an experiment station, a bureau of the Department and a commercial industrial organization.

It deals with the important subject of the marketing of slaughter hogs by grade and weight. It is significant that the packing industry in Minnesota, along with the Minnesota station, and research agencies of the Department, could cooperate on that type of program, which since has become the basis of an extensive regional project in the north central region, and one which has the prospect that industry will adopt and use the findings.

Some of these are the more popular type which have a large distribution, and I think in general are illustrative of the various types which last year totaled almost 2,000 through the experiment station system.

The third panel describes the efforts to more widely get results into the hands of the farming public and those directly benefiting from the research.

This group represents a growing trend to the use of popular periodicals, periodicals which summarize at regular intervals timely and outstanding work of the stations. It has been a very effective medium. About half of our stations now have a regular periodical for that purpose.

The last represents the efforts to get wide dissemination through the press and radio, and to get information into the hands of the extension service where results are really brought before the farmers on a broad scale.

We have such things as the weekly clip service, the periodic releases, and service of this nature. All of which is aimed at giving the widest possible distribution.

I hope that gives you a better idea of the means by which research information is disseminated.

Mr. WHITTEN. Thank you, Mr. Elting, for that very informative story. From time to time we read in the press where they are attacking various departments of the Government—perhaps properly so in many instances—for the number of information specialists, the amount of money they spend on disseminating information.

When the funds and personnel are used to promote some pet scheme or hobby, that criticism might be in order. However, if you are going to spend, as the testimony showed yesterday, $45,000,000 in various types of agricultural research through the Department of Agriculture, it is certainly wasting time and effort not to disseminate the information once you have secured it.

NECESSITY FOR CONTINUOUS RESEARCH

Also, yesterday one of our witnesses was asked what was the necessity for research and what was the success in the field of research. I could not help thinking of the fact that it takes a wealth of research and effort just to break even with the increases in diseases.

Attention was called to DDT which a few years ago was held out as the greatest discovery ever made. Certainly it served its purpose during the war when our boys were in various areas of the world.

In my little town, which happens to be on the Delta of the Mississippi, they used this spray for mosquitoes and flies. The first year you did not need any screens at all; the second year you had more of a problem; the third year it was still worse. Last year the mosquitoes and flies fattened on it. We had to go back to our old-time sprays.

The point I am making is that the battle against diseases and insects requires a lot of effort just to hold your own.

In my own area—I mention this because I am familiar with it, and I am sure it is no different from other areas—when I was growing up there were some fruit trees on every farm. All you had to do was set the trees out and pick the fruit.

Now, in order to have a fruit lot, not just for commercial purposes but family use, you have to look after a fruit tree more than you have a child. It means three or four sprays a year, and all that sort of thing.

The net result is that you do not find any family-sized orchards. The same thing applies to other commodities, too. Usually when you cure one ill you create another one.

Mr. ELTING. We feel that and the essentiality of continuing searching for new basic information are two very important reasons why research should continue at a relatively high level, even during a period of extreme emergency.

When I say a "relatively high level," that means it must find its proper place in the scheme of things when we are faced with serious adjustments.

We do feel, on the basis of past experience, research should be considered as an important defense measure in its own right, and one that can make a tremendous contribution to insuring abundant supplies of food and fiber for our Nation.

NEED FOR FLEXIBILITY IN AN EMERGENCY

It does emphasize one point that perhaps we need greater flexibility than usual in the use of available funds in order to shift programs to meet situations that cannot be anticipated even a year in advance.

A central theme running through statements that we receive from experiment station directors emphasizes those points, of continuing the research, which, as you say, will enable us to maintain our own, to continue basic research at a reasonable level, realizing that in some instances we may have to pull men off their basic research to tackle emergency problems, and third, the ability in the use of their funds to adjust to situations rapidly.

COORDINATION OF ACTIVITIES IN AGRICULTURAL ENGINEERING

Mr. WHITTEN. In your figure 2 you mention agricultural engineering. I wonder how that differs from work carried on by the Bureau of Agricultural Engineering within the Department. Is there any duplication with the States?

Mr. ELTING. Your question could be illustrated in a way by the activities under the southern regional project on cotton mechanization, where we have a truly joint effort. Every effort is made to properly coordinate, so there is an integrated rather than a duplicated effort.

The Bureau of Plant Industry, through its Division of Agricultural Engineering, is spotting their specialists at such places as Stoneville, in California, in the irrigated areas of New Mexico, where they can best supplement the program.

In general, that is a coordinated and cooperative effort.

Mr. WHITTEN. For instance, my attention has been called to the fact that at the Oklahoma station you have developed a new type of harvester for stripping plants. The Agricultural Engineering Division, from time to time, calls attention to their work in connection with machines and machinery.

Here again, is there a distinction between these activities or is it just a case of one having hit the answer first?

Mr. ELTING. In that case, the Bureau personnel, as I recall, was actually stationed at the Chickasha substation in Oklahoma, and was working alongside the State employees there. So, again that is a cooperative effort.

I am sure the committee may frequently be puzzled by the fact that the bureaus make reference to what is seemingly the same research that we discuss at the State stations.

It is essentially the same research, because there are men employed both by the bureaus and the States, actually stationed in the same laboratory many times, and working side by side on the same problem.

It is true in this field of mechanization, just as it is true in plant breeding, and in many other activities across the country.

I think therein lies the major strength of our entire program.

INCREASE IN FUNDS PROPOSED FOR ALASKA

Mr. WHITTEN. Directing your attention then to the proposed increase for Alaska, I notice the justifications for the increase for next year is the same as for last year.

Why is it after we increased it last year we have an increase for animal research at Matanuska Valley?

Mr. ETLING. The one specific item for which an increase was granted last year, Mr. Chairman, was the $10,000 increase which has been applied to the field of plant pathology. Beyond that, we stated certain needs that existed last year and which exist today. We have not been able to fulfill those.

I believe the record will show the $10,000 increase granted a year ago was applied specifically to financing a program in plant pathology research, and these others may have been mentioned a year ago as existing problems. They are as much so today as then. We have not been able to staff our organization to meet them. The increase requested for 1952 is in accordance with a new authorization provided under Public Law 739 approved August 29, 1950.

CHANGE IN LANGUAGE

Mr. WHITTEN. I notice you also have one change in language. What is the basis for that?

Mr. ELTING. You are referring to page 88?

Mr. WHITTEN. Yes. We might insert pages 88 and 89 in the record at this point.

(The material referred to follows:)

CHANGES IN LANGUAGE

The estimates include proposed changes in language as follows (new language in italics, deleted matter enclosed in black brackets):

"For payments to the States, Hawaii, Alaska, and Puerto Rico to be paid quarterly in advance where applicable, to carry into effect the provisions of the following Acts relating to agricultural experiment stations:

"Hatch, Adams, Purnell, Bankhead-Jones, and related Acts: * * * Bankhead-Jones Act, title I of the Act approved June 29, 1935 (7 U. S. C. 427–427g), sections 3 and 5, $2,863,708, and sections 9 and 11 of said Act as added by the Act of August 14, 1946 (7 U. S. C. 427h, 427j), including administration by the Office of Experiment Stations in the United States Department of Agriculture, $5,000,000[, no part of which latter amount shall be used for beginning construction of any building costing in excess of $15,000, except that a poultry breeding house may be constructed at Purdue University at a cost to this appropriation of not to exceed $29,000]; * * * and the provisions of section 2 of the Act approved June 20, 1936, *as amended* (7 U. S. C. 369a, *Public Law 739, approved August 29, 1950*), extending the benefits of the Adams and Purnell Acts to the Territory of Alaska, [$37,500] *$75,000;* Puerto Rico, the Act approved March 4, 1931, as amended (7 U. S. C. 386d–386f), extending the benefits of certain Acts of Congress to Puerto Rico, $90,000; in all, payments to States, Hawaii, Alaska, and Puerto Rico, [$12,416,208] *$12,453,708.*"

The first change is proposed for the purpose of deleting language prohibiting the use of funds for beginning construction on any building costing in excess of $15,000, and the provisions included in the 1951 Appropriation Act authorizing construction of a poultry breeding house at Purdue University.

The limitation on construction was originally inserted for the purpose of providing a general limitation applicable to the agencies of the Department receiving funds under the Research and Marketing Act. However, since sections 10 (a) and 10 (b) Research and Marketing Act funds have been merged with related appropriations of the departmental agencies, this limitation now applies only to payments to the State agricultural experiment stations under section 9 of the act. Because of their special nature, limitations have not been previously placed on construction by the States under Federal-grant funds. Inasmuch as projects are, in general, not formulated and approved in detail a year prior to the availability of funds, it is difficult to predict in advance and make provision in the budget estimates for all contingencies that may arise relative to construction needs. On the other hand, it has been a policy of long standing that the State stations furnish the major facilities for continuing research under the Federal-grant funds. The Office of Experiment Stations approves the use of these funds for purchase of land or construction only when it has been clearly demonstrated that such facilities are essential to the proper conduct of specific research projects. The use of Federal-grant funds for construction of administration, laboratory, or general purpose building has never been permitted.

Facilities for projects under the regional research fund, however, must be constructed largely through the use of section 9 funds, since the State in which the project is being conducted usually cannot, and should not be expected to, provide the full cost of such construction, and since cooperating States cannot expend their funds outside the borders of their respective States. Therefore, because of the nature of these funds and the policy governing their use, it is believed that the retention of the limitation is unnecessary and should be deleted to assure needed flexibility and permit such construction as circumstances may warrant in connection with approval of specific projects of a regional nature.

The second change in language is to include the amendment to the Alaska Station Act of June 20, 1936, by the act of August 29, 1950, Public Law 739.

Mr. WHITTEN. You may enlarge on it, if you care to make an additional statement.

Mr. ELTING. The proposed change in language, Mr. Chairman, covers a limitation which was written into the Research and Marketing Act appropriation as a whole, I believe, 3 years ago, which specified that no part of that appropriation might be used for beginning construction of a building to cost more than $15,000.

Since that date the appropriation structure for the research and Marketing Act has been divided into several segments. We find this limitation which originally applied to all four segments of that appropriation now applies to only the section 9 appropriation.

We believe the record will show the committee should not be unduly concerned by the extent to which States have used the Federal-grant funds for construction purposes.

A résumé for the past 10 years shows that in only 1 year of that period did the use of the funds for buildings go as high as 3 percent. In many cases it has been less than 1 percent.

I am simply saying here that historically the stations have used little of the funds for building.

On the other hand, in certain of our regional programs, as has been pointed out in the past 2 years, this limitation does work a hardship. I am referring specifically still to the central testing station for the north central poultry project, where the committee has granted an exception to this limitation for the past 2 years.

They have been able to go ahead with the necessary plant there. There are still some three units of that plant necessary to get it on the scale originally planned and needed.

Mr. WHITTEN. Mr. Elting, I am a believer in the restriction on construction. I think the committee will go along with an exception any place where you can make a meritorious case.

Just to mention an example or two—this is an old story—the Navy came in before the subcommittee a few years ago for $350,000,000 for new facilities. On investigation it became apparent the Army had facilities which the Navy could use, and the Government saved $350,000,000.

Attention was further called to this a year or two ago when Dr. Hilbert requested funds for a building costing $250,000 to test fuels in cold weather. It so happened I had visited an Army activity in a Southern State in which they had the same type of building, but 10 or 15 times as good as he would have built. We held up the appropriation until he could investigate.

On investigation he found out that the building was there and not only did he not have to go to a Southern State but he found it at Fort Belvoir.

The point I make is that I think it is sound to have the general limitations. Then if you run into a situation where an exception should be made, let us have the proof and evidence to be sure you have checked everywhere and are not duplicating what we may have some place else.

In other words, these funds are for research and we do not want them to be used by some State to put up some tremendous building. Personally, I doubt the wisdom of relieving you from a general limitation. If you have the exceptional situation, we will be glad to hear the testimony.

Mr. ELTING. If I may comment a bit further, Mr. Chairman. We understand clearly the reasons as to why it was inserted. The fact remains that that limitation applies only to the grant funds. And historically it has been shown that little of this money has been used for building over the years, that the stations have never abused it.

Mr. WHITTEN. Are you familiar with the cotton laboratory in New Mexico and what it cost?

Mr. ELTING. That was not built from grant funds, Mr. Chairman, the fund to which this limitation now applies.

GENERAL LIMITATION ON FEDERAL CONSTRUCTION

Mr. WHITTEN. Is there not a general limitation on Federal construction as to how much can be built without special justification? It is my understanding there is a general limitation which applies.

Mr. WHEELER. There is a provision in the appropriation act for the Agricultural Research Administration that permits those bureaus to construct buildings at a cost up to $2,500 without special justification in the annual estimates. Then, for buildings costing between that figure and the next step, $5,000, we are to come in with a special justification. Beyond that figure, language is required in the annual act.

There is a general provision for the Government as a whole which prohibits building without authorization of law. That is what gives rise to these requirements for special authority. The Research and Marketing Act, as a basic law, does authorize buildings, and thus satisfies the general restriction for funds appropriated pursuant to the Research and Marketing Act. However, the RMA funds now merged with the regular appropriations are subject to the general limitations described above.

Mr. WHITTEN. Rather than eliminate it, I would put it back on the rest of the funds.

Mr. WHEELER. There is a limitation, Mr. Chairman, on every appropriation in the Department to construct only within certain bounds. We have no general authority to build in the Department.

Mr. WHITTEN. Since we do not follow up on contributions to the States, in the absence of a flat limitation here, we would have no such restriction as we do have with regard to the rest of it; is that not correct?

Mr. WHEELER. That is true.

Mr. WHITTEN. It is a mighty good thing to keep, Mr. Elting. You are privileged to request us, but I think if you run into the exceptional situation the committee will be glad to hear from you. In proper cases, such as the Purdue Laboratory, I am sure the committee will take appropriate action.

We found several instances where the situation got away from us. Maybe it was not for this fund. But it pays to keep close control of the whole situation.

Mr. ELTING. I would say I know of no contemplated expenditures at the moment beyond an additional unit at the Purdue Laboratory, which would be in any way affected by this limitation.

I do not feel it is a serious matter. We have presented our case. It is certainly for your committee to decide.

Mr. WHEELER. Mr. Chairman, in the event the committee does not approve the proposed change, I believe we would like to make a presentation for specific relief again next year for construction at the Purdue laboratory in connection with the poultry project.

Mr. ELTING. If you are not willing to grant the change, would you be willing to continue the same language that existed, because the need has not been fully satisfied today?

Mr. WHITTEN. We will be glad to hear from you. This is not a case of prejudging the individual cases that arise. We think it is well enough for us to make a little check. If you have to justify the exception here, you may do a little more checking to see if you already have such a facility somewhere else.

Every check in the world before you spend more money for building is worth while, in my judgment. We will be glad to have your statement. You can supply it for the record.

Mr. ELTING. I will be glad to do that, sir, because that need does still exist.

(The statement referred to follows:)

STATEMENT FOR THE AGRICULTURAL SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE REGARDING NEED FOR CONSTRUCTION AT PURDUE UNIVERSITY IN CONNECTION WITH THE REGIONAL PROJECT ON IMPROVEMENT OF POULTRY THROUGH BREEDING

At hearings on budget estimates for the fiscal year 1952 for the Office of Experiment Stations held on February 14, it was proposed that the language incorporated in the appropriation act for 1951, restricting the use of section 9 Bankhead-Jones funds for beginning construction of any building costing in excess of $15,000 be eliminated. During the course of hearings, Chairman Whitten indicated that the Agriculture Subcommittee would not favor the deletion of this language but would be willing to consider the incorporation of language in the appropriation act for 1952 for any construction which could be clearly justified.

In view of this action by the Agriculture Subcommittee, it is requested that the language incorporated in the 1951 appropriation act, which authorized the use

of $29,000 for construction at Purdue University, be included in the Appropriation Act for 1952 to permit expenditure of $29,000 for necessary additional construction at the poultry testing laboratory during 1952. The language in question which we wish restored reads as follows:

"* * *, no part of which latter amount shall be used for beginning construction of any building costing in excess of $15,000, except that a poultry breeding house may be constructed at Purdue University at a cost to this appropriation of not to exceed $29,000; * * *."

Twelve State agricultural experiment stations of the north central region are cooperating on a regional study to develop inbred lines of chickens for the production of hybrids that possess high viability, superior market quality, and economy of meat and egg production. The most promising lines developed by the experiment stations will be sent to the central poultry testing station located at Purdue University where they will be compared with other lines as to their value in various combinations.

Results to date indicate that it may be possible to develop hybrid lines of poultry which will greatly expand the productivity and efficiency of the poultry industry in much the same manner as hybrid corn has increased total corn production in the United States.

A central testing station is a necessary requirement of the poultry breeding project in order to provide the facilities required to carry on these tests under uniform conditions. In addition to the north central group, experiment stations of the northeast and southern regions are also cooperating under similar regional research projects and the laboratory at Purdue is already providing some similar service to these two regions.

For a regional research project of this magnitude, requiring specialized installations to assure uniform conditions for the testing of different strains of poultry, it is essential that moneys from the regional research fund be used inasmuch as no one experiment station can be expected to furnish the number of buildings necessary and since as a general rule State laws prohibit the State agricultural experiment stations from expending their funds beyond the borders of the individual States. It should be pointed out, in this connection, that Purdue University has made available 50 acres of land for the use of this poultry-breeding project.

The buildings previously constructed for this purpose at Purdue include a 30- by 207-foot brooder house; a 30- by 209-foot laying house; a 30- by 60-foot garage and shop; and a 30- by 48-foot tool and feed shed.

These facilities were used during 1950 for testing top crosses of 35 inbred lines of chickens developed at the cooperating experiment stations, together with some commercial hybrids and purebreds totaling 53 samples in all. The inbred lines used in top crosses in 1950 should now be tested for combining ability as single crosses and a second laying house will be needed to provide space for some 96 separate lots of poultry that will be involved. It is proposed that a second laying unit of the same size as the first one be constructed to meet this need and to permit utilization of the existing brooder house to full capacity.

Since the regional poultry testing project has been planned and developed on the assumption that additional facilities would become available for use at Purdue University as the number of hybrid lines increased, it is essential that provision be made for additional construction during the fiscal year 1952 if this project is to continue as originally contemplated. For this reason we urgently request that the limitation regarding the building limitation be left in the 1952 appropriation bill in exactly the form it was included in the 1951 Appropriation Act.

Mr. WHITTEN. Before we turn to "Salaries and expenses," are there any questions?

Mr. ANDERSON. No, Mr. Chairman, except a little general observation. Experiment stations and the work they do are very close to the hearts of people who are farmers.

On my farm, farm bulletins are in constant evidence. Especially in connection with feeding problems it was my custom to study very carefully such experiments as were conducted by Henry and Morrison.

There is one experiment I have noticed which will mean additional millions to the farmers throughout America.

I see that the Indiana station has proven that we can use ground-up corn cobs instead of roughage, and still achieve a very good quality of beef; is that not a fact?

Mr. ELTING. That is a fact.

Mr. ANDERSON. It is estimated in Indiana alone that will save the farmers $15,000,000 yearly on the feeding of their cattle. That may of itself, when you multiply it Nation-wide, mean a great deal.

If we can take a surplus product, a former waste product, and convert it into something worth while, that in itself will pay for years to come all of the cost to the taxpayers of the work done by our experiment stations.

I just want that in the record as a little specific illustration of the value of this work.

The farms of today would never be where they are if it had not been for the experiments conducted for years by our experiment stations throughout America.

Mr. ELTING. Thank you, sir. We do have a number of examples of accomplishments under the regular program and under the regional program cited in the notes.

Mr. ANDERSEN. Where would we have been, for example, if we had not conducted the experiments on hybrid corn? That in itself, I think, means to agriculture an additional 300 or 400 million dollars yearly.

Just that development alone has given to us in agriculture sufficient justification to continue the use of Federal funds in encouraging our State experiment stations in their work.

I think these accomplishments should be called to the attention of the Congress and the people as a justification of this expenditure.

Mr. ELTING. Thank you, sir.

WOOD MOLASSES AS FEEDSTUFF

Mr. HORAN. Of course, this corn-cob experiment will not be a success until we find out how to feed sawdust to animals, too, without putting green glasses on them or going through the expensive process of making wood molasses.

Since wood molasses made from sawdust has been fed at the Washington State College, what is the latest on the experiment?

Mr. ELTING. Yes. That work has been done in cooperation with the Forest Products Laboratory, by the State stations including the States of Montana and Washington, which are conducting extensive feeding tests.

Wood molasses compares well with blackstrap molasses as feedstuff. It has been demonstrated it can be used as a satisfactory feedstuff if it is economically feasible to convert your sawdust into wood molasses.

There is also some work, carrying it a step further, in producing yeast from wood molasses, which is also a feasible process.

Mr. HORAN. That comes first, does it not?

Mr. ELTING. The production of the wood molasses comes first and then it may be used to produce yeast, which is a high protein feedstuff.

We have a potential of both a carbohydrate and a protein feedstuff from that material.

WORK OF EXPERIMENT STATIONS COORDINATED WITH DEFENSE ACTIVITIES

Mr. HORAN. There is one question that comes to my mind, Mr. Chairman. I would like to have Mr. Elting's thinking on this.

The experiment stations of the Nation, of course, are a fixed asset. We know that. They have also been under way for a long while. They have gained a momentum largely based upon the fact that they provide a service and they also exist where the people most interested can get to them.

We, in Congress, not only in Mr. Andersen's mail but in the mail of the members of this subcommittee, have a lot of mail asking us what are we doing to hold down the costs of Government and hold down the demand for the increase in taxes.

Just what do you do when Korea comes along and we set up 19 or 20 agencies to mobilize the financial and productive effort of the Nation for a defense effort? How does that affect the experiment station.

I ask that not as a matter of criticism but as a matter of practical approach to this matter. I am tremendously impressed with this chart. I am also impressed with the fact that you do not have much to say about the length of those columns.

I am also impressed that we do not have much to do with anything here except the black part of these columns.

Now, how do you justify your experiment stations? How do you reorient your work, realizing you have hold of this bull by the tail, as this black column will indicate, so we can completely justify the work of the experiment stations in terms of the all-out effort for the defense of the Nation and, I suppose, western civilization?

Mr. WHITTEN. Off the record.

(Discussion off the record.)

Mr. ELTING. If you will examine the other bar chart, the bottom line emphasizes the point you make, Mr. Andersen, and you, too, Mr. Chairman, that a large part of the non-Federal money goes into physical plant and overhead.

It represents a very substantial part, which means, as you point out, the Federal grant money actually finances a much larger portion of the research program than might be suggested here.

In answer to your question as to how we effect proper adjustments under these circumstances, realizing that primary initiation of programs remains at the State level, there is opportunity in our office, not only through the Federal grant projects themselves, but through the very extensive records we maintain of all non-Federal work, to tell all projects financed from any source.

We have that as a constant reference and as a basis for relating work of similar nature, of calling to the attention of any States related work which is in progress elsewhere. That, we feel, serves as a coordinating tool.

The next best answer to your question comes, I think, through the strong regional effort which exists at the State level, where our directors now meet as regional groups three times annually to review their common problems.

I refer to that as an improvement in teamwork. By the creating of regional technical committees that review research across the board in

their subject matter fields you get better coordination of effort and teamwork. It is through those activities that we are able to take a pretty good look at the effort across the board and to make the most satisfactory adjustments.

Of course, a major responsibility also rests at the State level.

I wish it were possible to put into the record some of the statements which have been received from State directors within the last month to indicate their thinking along that line.

It at least indicates serious attention is being given to that. Many directors say they have completely reviewed their programs and have established priorities on those research projects which seem most likely to aid in attaining and maintaining sustained high productions, and maximum efficiency in the use of manpower during the emergency period ahead of us.

AVAILABILITY OF MANPOWER FOR FARMS

Mr. HORAN. With the census report out we know what our available manpower is. We know they reflect some very interesting facts. It is asserted that the birth rate was not at a peak, of course, during the depression. That is the period that is giving us, today, our 18-year-olds, the ones that the Army wants now. Presumably, they are the pool from which at least our agricultural population would draw farm help.

It would appear obvious to me, without having made any exhaustive study, that the arguments of the farm groups against the drafting of all of the available manpower in the agrarian pools is valid.

What are the experiment stations doing in the direction of more electrification and the adaptation of manpower aids and efficiency aids at the farm level?

Mr. ELTING. That is a strong element of the research program. I think if we review the history of the production per man-unit in this country over the past years, and right up to the present, we will see that there has been a phenomenal change in our agriculture that we can attribute largely to studies on increased mechanization, and other ways, of improving efficiency of the farm operation.

That effort is still going on, as is exemplified in our cotton mechanization research that I referred to earlier.

Mr. ANDERSEN. I want to interject at this point, in referring to electrification and mechanization of our farms, this factor makes it all the more necessary that we keep upon the farms the boys who have grown up with all of these improvements and know how to handle such machines.

Would you not say that is correct, Mr. Horan?

RELATION OF STRONG RESEARCH PROGRAM TO THE NATIONAL ECONOMY

Mr. HORAN. If I had my way, we would not be at war right now, but nobody consulted me. It is an interesting mess we are in, because now there is a demand to raise State and Federal taxes on gasoline and oil.

The President has made it very plain that he wants to increase taxes. The chart indicates we are certainly increasing the expenditures for experiment stations. This subcommittee has to think of all these things when we write up the bill.

Certainly what we do need is experimentation today, I think, in agricultural engineering. We need a new carburetor that will run a tractor twice as long on a gallon of gas as we have now.

If you are going to raise taxes—I know you will get exemptions for that—by and large it will increase the cost of farm machinery. That will happen any time you raise taxes.

While you are going to have the demand for these things on the part of the individual farmer, you are also going to have a demand, from the same farmers quite often, that we decrease taxes.

We have to pass on appropriations and as Members of Congress have to pass on new tax bills.

We have to coordinate this thing. So, I have been very happy at the attitude of our chairman and members of this subcommittee. We are going to have to get down to the brass tacks in this thing, what is the need of the hour, and see if we cannot urge you who do not have all of those things to think about to see it our way and do it as gentlemen and not folks at war with each other.

I am trying to ask some practical questions bearing on what is our problem now. What are the departments of Government doing in that direction?

Mr. WHITTEN. I just want to say that what you are pointing out is that we need a great research organization on how in the world we can keep everything we have, finance a war and liquidate a 270-billion-dollar debt.

We have just about reached the point where that project is going to have to come ahead of any other project in Government.

Mr. ELTING. We believe to seriously curtail agricultural research with the contribution it can make on a sustained production, the conservation of our soil resources, and so on, would be a calamity in the long run.

Those who provide public funds for the support of this, I realize, must weigh this in relation to other pressing matters. We do sincerely feel there is a very major contribution that can be made through maintaining a strong research program.

Mr. HORAN. Legally we have no business even questioning you about these funds. We do not appropriate this money; we just pass on it. So, we have no control over you fellows, other than to explain to you what we consider to be the national interest of the moment.

The national interest, of course, is to maintain the finest progress and efficiency in our agricultural plant that we know how to do.

Salaries and Expenses, Office of Experiment Stations

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$384,050	$412,500	$400,000
Unobligated balance, estimated savings	−10,954		
Savings under sec. 1214		−5,000	
Total obligations incurred	373,096	407,500	400,000
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	24,200		
"Special research fund, Department of Agriculture"	24,946		
Total direct obligations	422,242	407,500	400,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	1,199		
Total obligations	423,441	407,500	400,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Administration of grants and coordination of research with States	$250,440	$235,000	$235,000
2. Federal experiment station, Puerto Rico	171,802	172,500	165,000
Total direct obligations	422,242	407,500	400,000
REIMBURSABLE OBLIGATIONS			
2. Federal experiment station, Puerto Rico	1,199		
Total obligations	423,441	407,500	400,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	108	78	78
Full-time equivalent of all other positions	7	22	13
Average number of all employees	104	98	88
Personal service, obligations:			
Permanent positions	$325,527	$297,775	$297,042
Part-time and temporary positions	7,911	19,800	11,700
Regular pay in excess of 52-week base	1,192		1,245
Payment above basic rates	16,555	18,725	19,113
Total personal service obligations	351,185	336,300	329,100
DIRECT OBLIGATIONS			
01 Personal services	349,986	336,300	329,100
02 Travel	11,982	11,650	11,650
03 Transportation of things	2,749	3,800	3,800
04 Communication services	1,750	2,000	2,000
05 Rents and utility services	1,623	1,700	1,700
06 Printing and reproduction	18,370	18,000	17,750
07 Other contractual services	2,682	2,700	2,700
Services performed by other agencies	265	300	300
08 Supplies and materials	26,268	28,000	27,900
09 Equipment	6,512	3,000	3,000
13 Refunds, awards, and indemnities	55		
15 Taxes and assessments		50	100
Total direct obligations	422,242	407,500	400,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	1,199		
Total obligations	423,441	407,500	400,000

Mr. WHITTEN. I would like to insert pages 106 to 108 into the record at this point, which cover the salaries and expenses appropriation.

(The material referred to follows:)

Salaries and expenses, experiment stations, Agricultural Research Administration

Appropriation Act, 1951 (adjusted)	$412,500
Reduction pursuant to sec. 1214	−5,000
Base for 1952	407,500
Budget estimate, 1952	400,000
Decrease	−7,500

Summary of increases and decreases, 1952

To provide a recurring amount for essential repairs and maintenance at the Federal Experiment Station, Puerto Rico	+17,680
To eliminate a nonrecurring item provided in the 1951 Appropriation Act for work on the water supply system at the Federal Experiment Station, Puerto Rico	−24,950
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation	−230

Project statement

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
Salaries and expenses, experiment stations, Agricultural Research Administration:					
(a) Administration of grants and coordination of research with States	$250,440	$235,000			$235,000
(b) Federal Experiment Station, Puerto Rico	171,802	172,500	−$230	−$7,270	165,000
(1) Cultural, genetic, and physiological investigations of tropical and subtropical crops	(96,902)	(80,250)			(80,250)
(2) Plant introduction and propagation including pest and disease control	(62,402)	(67,300)			(67,300)
(3) Repair and construction	(12,498)	(24,950)	(−230)	(−7,270)	(17,450)
Unobligated balance	10,954				
Total available	433,196	407,500	−230	−7,270	400,000
Transfers in 1951 estimates from "Research and Marketing Act of 1946, Department of Agriculture"	−24,200				
"Special research fund, Department of Agriculture"	−24,946				
Reduction pursuant to sec. 1214		+5,000			
Total appropriation or estimate	384,050	412,500			

NEED FOR INCREASE IN FUNDS AT PUERTO RICO

Mr. WHITTEN. In connection with your Puerto Rico operation, we took care of the water system last year. You are asking for $17,680 for recurring repairs and maintenance for 1952.

Is that a little high? What do you contemplate doing with that money?

Mr. ELTING. May I review just briefly, Mr. Chairman, the past 3 years. Each year we have come before you with some essential maintenance item at the Puerto Rico station.

Mr. WHITTEN. First, the Puerto Rico station is federally owned. It is differently situated from the stations that you have in the various States; is that right?

Mr. ELTING. Yes; that is a Federal station. It has no direct relation to the University of Puerto Rico station, which does function as the other State experiment stations.

We have a physical plant at the Federal station in Puerto Rico which today would cost an estimated million dollars, or close to it, to replace.

Many of the buildings and facilities at that station have existed there for over 40 years. The upkeep is relatively high on that plant. We discussed our needs with the Bureau of the Budget some 3 years ago, and they asked us to project into the future the items that were pressing.

As a result of that we have come before you for the last 3 years, with an essential maintenance item each year. One year it was repair of roofs on the buildings. Another year it was the replacement of some run-down buildings with one satisfactory service building.

This past year it was for the enlarging of our water supply system and replacing of old pipelines. We are still confronted with a number of items that appear just as pressing as those you have provided for.

The Budget proposes that we set up a reasonable recurring item to cover the repairs and maintenance of that physical plant. This would permit greater flexibility in meeting needs, would make possible better planning, and would allow for the development of a more stable long-range maintenance program.

You asked the question whether the figure quoted is a little high. I can only say that the figure was arrived at as the best estimate of actual need.

The fact is that there is a substantial maintenance charge there that must be met annually. With our rather limited appropriation for our total program in Puerto Rico, we found maintenance expenses a heavy drain, resulting in curtailment of our research activities simply to maintain the physical plant.

We, therefore, present this item as a reasonable way of meeting that continuing need.

STAFFING REQUIREMENTS AT PUERTO RICO STATION

Mr. WHITTEN. How many employees do you have at the experiment station?

Mr. ELTING. Our present staff consists of only nine technical employees, plus a group of technical aids and a fairly substantial labor force.

Mr. WHITTEN. How many of them are natives of the United States? How many of them are local?

Mr. ELTING. Eight of the nine I have mentioned are continental Americans.

Mr. WHITTEN. They work directly for the Federal Government?

Mr. ELTING. Yes.

DIFFERENTIAL PAYMENTS

Mr. WHITTEN. Are you caught by the requirement that you pay all these folks the extra pay which is contemplated for those working outside the continental United States?

Mr. ELTING. There has been a 25 percent differential there in salary for a number of years, Mr. Chairman.

Mr. WHITTEN. That differential, according to the information I have, was set up to offset the problem of a man having to move his family to those areas.

I have also been told that the Personnel Office of the Department is requiring you to pay the 25 percent differential to the residents and natives of Puerto Rico. This, of course, puts them in the upper brackets in view of the average living standard in that area; is that true?

Mr. ELTING. That is true, sir.

Mr. WHITTEN. What would we have to do, Mr. Budget Officer, to prevent that? I understand that originated with your Personnel Office in the Department of Agriculture, which insisted, notwithstanding the opposition of some people, that you pay the natives 25 percent more than you pay the same men in the United States.

Mr. WHEELER. Certainly language could be written into the appropriation act that would change that situation.

Mr. WHITTEN. I am not talking about the man from the United States who is sent over there at extra cost. I am talking about the native, the person who lives there, who does not have any extra expense but, as a matter of fact, due to living standards and other things, has a better salary than his coworker from over here.

I hope you will give thought to that so we can have some appropriate language.

Mr. WHEELER. We will be glad to work with your committee on that.

Mr. HORAN. While you are on that subject, Mr. Chairman, what about the income tax down there?

Mr. ELTING. The Federal income tax has been extended to the employees of Puerto Rico. It is a rather recent development.

Mr. BROWN. Just the Federal employees.

Mr. WHITTEN. The thing that I complain about is Government-wide. Insofar as my recommendation goes, the committee is going to try to do something about it in this instance. We hope some of the other departments will wake up to it also.

Mr. ANDERSEN. I hope we can insert it into this bill, Mr. Chairman.

Mr. WHITTEN. We will make an effort to see that it is done in general.

Mr. ANDERSEN. I think this is a ridiculous thing, because as to the laboring people in Puerto Rico connected with the station, certainly their receiving our rate of wage ought to be a big enough boost in itself.

Mr. WHITTEN. Yes; it cannot be justified at all. Since it is required by law, they should be recommending changes in the law.

Mr. ANDERSEN. What I would like to know is why was this plan instituted in the first place?

Mr. WHITTEN. I do not know, unless they are trying to spend as much as possible.

Mr. HORAN. When was that done?

Mr. WHITTEN. I understand with regard to some it has only been required the past year or so. It was started several years ago. It has been forced upon every agency within the last 2 or 3 years; is that not right?

Mr. ELTING. That order has prevailed as long as there has been a differential.

Mr. WHITTEN. I am talking about the requirement that the local workers had also to be paid the 25 percent differential.

Mr. BROWN. That started in the beginning, as far as our office was concerned. The instructions which we received did not make any differentiation as to whether it applied to continental employees or natives; all employees received the differential.

Mr. ELTING. I understand that applies only to those under the classified service. There has been a requirement that labor wage rates also be increased there. It is not to the level of the minimum wage in the continental United States, but nevertheless a very substantial increase in labor rates also.

Mr. WHITTEN. Who required that of you? Where did you get your direction and instruction?

Mr. ELTING. From the Department Office of Personnel.

Mr. WHITTEN. Certainly, I am going to ask this committee to consider the writing of a limitation which will stop this extra pay to local workers in these various countries outside the continental United States. I expect to then recommend to the chairman of the whole committee that attention be given to the broad field of government.

I think it is utterly uncalled for. In many instances it calls for paying common labor in foreign countries more than outstanding businessmen and professional men can obtain. It can have but one effect. It makes this Government look foolish, and they can take this situation and almost prove it.

Mr. BATES. I was going to tell you there was no point in taking the time of these fellows who do not control it, but to get the folks in here who control it and sit down with them.

Mr. WHITTEN. Off the record.

(Discussion off the record.)

Mr. WHITTEN. Are there any further questions?

REDISTRIBUTION OF BANKHEAD-JONES FUNDS

Mr. ELTING. May I raise one point, Mr. Chairman, on which we feel we should have the advice of this committee?

I think the committee should realize under the provisions of the Bankhead-Jones and Research and Marketing Acts redistribution of those funds under each decennial census is provided by law.

We are confronted with a possibility that by July 1 the Bureau of the Census may release final information on rural populations but not information on farm populations.

The question would arise then, should we redistribute the Bankhead-Jones funds, which are influenced only by rural population and not redistribute section 9 money, which involves both rural and farm populations.

My point in raising the question is we may be in a dilemma on July I whether we can or cannot redistribute the funds under the 1950 census.

We would appreciate it if the committee could see fit to instruct us that the 1952 appropriation should not be subject to this, that redistribution might be deferred until the fiscal year 1953, when it is cer-

tain there will be full and complete information available. It may be quite a problem on July 1.

Mr. WHITTEN. The committee will be glad to give consideration to that. It may be that this subject might well go over to the Senate hearing, since they will come later in the year and you may be able to better tell what your situation will be.

I think the committee should do it, if it becomes necessary to protect you. On the other hand, if the figures do come out early enough for you to use the new figures it would be appropriate for you to use them.

We do not want to defeat the purpose of the basic law, if we can help it. We will be glad to give consideration to it. If we do not do it, you can raise it at the other body later in the year.

Mr. ANDERSEN. It is mandatory that it be distributed after July 1?

Mr. ELTING. The law says these moneys shall be distributed on the basis of the last available decennial census.

Mr. ANDERSEN. Could you not hold back 25 percent and then distribute that later on in the year?

Mr. ELTING. The payments are actually made on a quarterly basis. It would be possible to make that adjustment, I suppose, in the last quarterly payment, if that is the will of the Congress.

On the other hand, it might greatly affect some of the stations that have planned their program with the expectation of the current pattern of distribution, and then find that it was seriously disturbed in mid-year.

Mr. ANDERSEN. I see no objection, as far as I am personally concerned, if you put it off until the 1953 fiscal year.

Mr. ELTING. The last word from the Bureau of the Census was that farm population figures would definitely not be available by July 1, that rural population figures might be available at that time.

We thank you for considering that point.

Mr. WHITTEN. Thank you, gentlemen.

BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS

WITNESSES

DR. HAZEL K. STIEBELING, CHIEF, BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS
MISS RUTH O'BRIEN, ASSISTANT CHIEF, BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS
DR. CALLIE MAE COONS, ASSISTANT CHIEF, BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS
MISS CECELIA HUNEKE, ADMINISTRATIVE OFFICER, BUREAU OF HUMAN NUTRITION AND HOME ECONOMICS
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$868,700	$1,500,000	$1,482,500
Unobligated balance, estimated savings	−9,332		
Savings under sec. 1214		−15,000	
Obligations incurred	859,368	1,485,000	1,482,500
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	837,528		
"Special research fund, Department of Agriculture"	30,111		
"Salaries and expenses, farm housing, Department of Agriculture"	9,490		
"Marketing services, Department of Agriculture"	27,199		
Comparative transfer to "Salaries and expenses, Office of Information, Department of Agriculture"	−1,211	−1,900	
Total direct obligations	1,762,485	1,483,100	1,482,500
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	14,825	1,000	
Total obligations	1,777,310	1,484,100	1,482,500

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Food and nutrition investigations	$811,393	$694,000	$693,700
2. Family economics investigations	470,589	383,000	383,000
3. Textiles and clothing investigations	270,392	234,700	234,500
4. Housing and household equipment investigations	210,111	171,400	171,300
Total direct obligations	1,762,485	1,483,100	1,482,500
REIMBURSABLE OBLIGATIONS			
1. Food and nutrition investigations	4,500	1,000	
2. Family economics investigations	4,500		
3. Textiles and clothing investigations	600		
4. Housing and household equipment investigations	5,225		
Total reimbursable obligations	14,825	1,000	
Total obligations	1,777,310	1,484,100	1,482,500

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	352	302	285
Full-time equivalent of all other positions	11	5	5
Average number of all employees	338	280	269
Personal service obligations:			
Permanent positions	$1,271,423	$1,165,190	$1,159,541
Part-time and temporary positions	33,494	7,310	7,310
Regular pay in excess of 52-week base	4,425	----------	4,649
Payments to other agencies for reimbursable details	8,397	----------	----------
Total personal service obligations	1,317,739	1,172,500	1,171,500
DIRECT OBLIGATIONS			
01 Personal services	1,302,914	1,171,500	1,171,500
02 Travel	24,278	16,500	16,500
03 Transportation of things	695	500	500
04 Communication services	8,303	9,400	9,400
05 Rents and utility services	2,888	600	600
06 Printing and reproduction	56,077	63,000	63,000
07 Other contractual services	161,271	97,000	97,000
Services performed by other agencies	143,196	86,100	86,100
08 Supplies and materials	39,614	29,000	27,900
09 Equipment	23,249	9,000	9,000
15 Taxes and assessments	----------	500	1,000
Total direct obligations	1,762,485	1,483,100	1,482,500
REIMBURSABLE OBLIGATIONS			
01 Personal services	14,825	1,000	----------
Total obligations	1,777,310	1,484,100	1,482,500

Mr. WHITTEN. Dr. Stiebeling, we are mighty glad to have you and the representatives of your Bureau with us.

Before your general statement we would like to have pages 116 and 117 inserted in the record at this point.

(The material referred to follows:)

PURPOSE STATEMENT

The Bureau was established on July 1, 1923, absorbing the Office of Home Economics which had been in existence since 1915 as an enlargement of the human nutrition investigations authorized by the Congress in 1894.

Research is carried on through laboratory and field studies in cooperation, wherever possible, with other bureaus of the Department, other Federal agencies, and with State research agencies, particularly State agricultural experiment stations. Studies include research on—

Food and nutrition, to determine the nutritive contributions of different foods to the diet, the comparative costs of foods, the food and nutritional requirements of people, and how these facts can be applied by families in differing circumstances to the buying of food, the preparation of healthful meals, and the preservation and care of food in the home.

Family economics, to determine the quantities of different foods and other goods and services consumed by families in various regional and economic groups; an evaluation of the economy and nutritional adequacy of diets and a study of the factors such as income, prices, and family size that affect family expenditures for living.

Textiles and clothing, to determine the relative usefulness and cost of fabrics and garments differing in material, construction, design, and finish, for the purpose of developing specifications for products that better meet consumer needs, and of assisting consumers in their selection and care of fabrics, garments, and household textiles for various uses.

Housing and household equipment, to determine the housing needs of families for efficiency and comfort, as a basis for developing plans for rural houses and for adequate and efficient work and storage centers, and to assist families with the selection, care, and use of household equipment.

Laboratory work is performed at the Agricultural Research Center, Beltsville, Md., and at 16 locations in cooperation with research institutions in the States. The staff employed on November 30, 1950, numbered 318, of whom 193 were located in the field.

Appropriated funds

Estimated, 1951	$1,483,100
Budget estimate, 1952	1,482,500

Salaries and Expenses

Appropriation Act, 1951	$1,500,000
Reduction pursuant to sec. 1214	−15,000
Activities transferred in 1952 estimates to "Salaries and expenses, Office of Information" for distribution of motion pictures	−1,900
Base for 1952	1,483,100
Budget estimate, 1952	1,482,500
Decrease (due to providing a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation)	−600

Project statement

Project	1950	1951 (estimated)	Decrease (GSA adjustment)	1952 (estimated)
1. Food and nutrition investigations	$811,393	$694,000	−$300	$693,700
2. Family economics investigations	470,589	383,000		383,000
3. Textiles and clothing investigations	270,392	234,700	−200	234,500
4. Housing and household equipment investigations	210,111	171,400	−100	171,300
Unobligated balance	9,332			
Total available	1,771,817	1,483,100	−600	1,482,500
Transfers in 1951 estimates from—				
"Research and Marketing Act of 1946, Department of Agriculture"	−837,528			
"Special research fund, Department of Agriculture"	−30,111			
"Salaries and expenses, farm housing, Department of Agriculture"	−9,490			
"Salaries and expenses, marketing services"	−27,190			
Transfer in 1952 estimates to "Salaries and expenses, Office of Information, Department of Agriculture"	+1,211	+1,900		
Reduction pursuant to sec. 1214		+15,000		
Total appropriation or estimate	868,700	1,500,000		

General Statement

Dr. Stiebeling. In the report on the appropriations bill for the fiscal year 1951, your subcommittee directed our Bureau to make and, in connection with the budget estimates for 1952, to report on a reevaluation of our activities "to make certain that attention is devoted only to the most essential research work in the field of human nutrition and home economics."

I have prepared such a statement and would be glad to run over it.

Mr. Whitten. We will be glad to hear from you.

Activity Appraisals

Dr. Stiebeling. In appraising our activities we took into account first what the Congress has authorized the Bureau to do; second, the groups that looked to the Bureau for help and the kind of help they need; and third, the contributions that the Bureau can make to the defense effort.

In determining the particular problems on which research should be continued, the new phases which should be undertaken, and how much investment to make in each project, we have in general applied the following criteria: First, is the problem important to a large segment of the population, either directly or through educational or other programs? Is it of regional or national concern? Is it a feasible research problem? Is the plan of work sound? Is competent staff available or can be obtained? Have adequate research techniques been developed, or must effort be devoted to developing methods?

We have summarized the adjustments made in the light of that study in our 1951 and proposed 1952 program. As you know, the funds for 1951 are considerably below those available for 1950, and our average employment this year is 58 man-years below that of 1950. We have made a number of adjustments after appraising our program in order to be able with the reduced funds to continue work on what we regard as the most fundamental problems and in addition to undertake special assignments related to the present emergency. That means that we have discontinued some lines of work as segments have been completed; we have curtailed the scope of some, and we have deferred undertaking others that had been planned.

In making this adjustment we have made every effort to continue our cooperative work with the State experiment stations and other research organizations and to continue the development in 1951 and 1952 of further work under contract. Of course, we are also under obligation to supervise the continuing research contracts that were arranged in earlier years, as well as those that we are negotiating at the present time.

FOOD AND NUTRITIONAL REQUIREMENTS

We operate, as you know, under four research divisions, Food and Nutrition is the first one to be discussed. The allotment for that work is $146,000 below what we had in 1950. We have given priority in 1951 and plan for 1952 to give priority to studies of the nutritional value of different foods, especially in the forms in which they are actually eaten, and to research on the effect on the body of diets of different kinds. Obtaining such information is part of the long-term program of the Bureau. It is information that is wanted by military as well as by civilian groups, and we feel that adding to knowledge in these fields would put the country into a position to use food with increasing effectiveness from the standpoint of nutritional health.

FOOD UTILIZATION

The allotments for research on methods of home food preparation and preservation we have cut about 30 percent below the 1950 level. With the funds available, we are continuing the research that will help to contribute to more effective food utilization, especially those products on the market in qualities that need attention to make it possible to use them most effectively in the household. We believe that studies of this type will become increasingly important if the food situation should tighten materially.

We are putting less emphasis on home food preservation than during the last war. During the last war we gave a good deal of attention

to studies to improve home dehydration and home canning of food. With the postwar increase in home food freezers, there is growing interest in information on safeguarding the quality as well as the safety of home-frozen food, and so we are using available funds chiefly for continuing in that field.

FAMILY ECONOMICS INVESTIGATIONS

In family economics investigations the allotment in 1951 is about $72,000 below 1950. We are not undertaking any new field studies on rural family living this year, nor are we planning any next year, but are concentrating on analysis of available data which will help to provide the facts that are wanted by administrators in developing educational or other programs affecting the welfare of rural families. We also are continuing the reporting to extension workers and others on the rural family living situation through the annual outlook conference, in which we participate along with the Bureau of Agricultural Economics and Extension Service, and through quarterly releases.

We are continuing at about the 1950 level our studies of family consumption of food and clothing and the factors affecting it. The resulting data are being used on a wide scale by producing, marketing, and educational groups, and we are having requests for them from defense agencies.

Since July 1950, we have undertaken a number of short-term projects of rather immediate concern. We have listed some of them in our prepared statement. An example is the development of family food budgets for use in a possible period of restricted food supplies. We have taken the nutritional allowances that have been suggested by the Food and Nutrition Board of the National Research Council for use in a strict rationing period, and are translating them into terms of food commodities. If rationing becomes necessary, these could serve in helping to guide families in making best use of available supplies. We also are developing material on food-purchasing and food-management problems of gainfully employed homemakers. We also are working on a number of requests from the defense agencies.

TEXTILES AND CLOTHING DIVISION

In textiles and clothing the allotment in 1951 is about $40,000 below 1950. We are giving priority to work that will provide facts on serviceability of fabrics in relation to fiber composition and construction of fabrics, and to studies of the relation of the physical properties of materials to their selection, care, and use for specific consumer uses. Such information is needed to gear production closely to consumption needs. For our bureau, it forms a very important part of the scientific background needed for preparation of buying guides for homemakers.

In order to move ahead with these projects, we have discontinued work on designing women's and children's clothing suited to particular purposes, and studies of the relation of pattern dimensions to body measurements. During the last 10 years we have made considerable contributions in both of these fields.

HOUSING AND HOUSEHOLD EQUIPMENT INVESTIGATIONS

In housing and household equipment investigations, the allotment for 1951 is about $40,000 below 1950. We are giving priority to the completion of publications that report information coming from coordinated Department/experiment-station studies on the scope and variety of household activities and possessions of rural families, knowledge which has an important bearing on space needs in housing. We also are undertaking laboratory experiments that have been agreed upon in a coordinated program with four regional technical committees on housing, on determining the dimensional requirements and facilities for two specific household activities. Other phases are being studied in experiment stations. In cooperation with the Bureau of Plant Industry, Soils, and Agricultural Engineering, we are developing floor plans and elevations for small, expansible houses that can later be enlarged to normal size and accommodations, as well as developing house plans that will be suitable for farm tenant families and for migratory agricultural workers.

We have curtailed our work on household equipment and are putting particular emphasis on studies that relate to care, repair, and use of equipment. The importance of such work was emphasized during the last war. However, new models have come up, so that information released then needs to be brought up to date. We have in mind also the preparation of visual material, perhaps some short movies, or film strips, that will help families take better care of household equipment and make minor repairs in order to keep their equipment in good working order in a period of scarcity of new labor-saving and time-saving equipment.

PERCENTAGE DISTRIBUTION OF 1951 FUNDS

The percentage of our 1951 funds that are being devoted to various subjects are shown in the chart before you. Almost 62 percent of our funds go to support studies related to food and nutrition. About 18 percent go to textiles and clothing, about 9 percent to economic problems of the home that cut across commodities or services, about 5 percent to household equipment, and about 6 percent to housing.

These percentages do not correspond to the divisions among the different research divisions, however. The major difference is that the Family Economics Division undertakes our studies of clothing consumption and studies of the economics of food.

The distribution of funds by subject has changed somewhat from 1950. A slightly higher percentage of our funds is going into studies of foods and nutrition and textiles and clothing, and a slightly lower percentage into household equipment and family economics problems.

RMA PROJECTS

The projects that were originated under the Research and Marketing Act are being continued in 1951 at essentially 1950 levels. Any difference represents curtailment needed to absorb Pay Act costs, and reductions pursuant to section 1214 of the 1951 Appropriations Act.

In general, RMA projects had the benefit of interagency planning. They were approved by the Research and Marketing Advisory Com-

mittees, and most of them are being conducted cooperatively or under contract with other research groups. Because they represented new fields of work when they were undertaken, progress on most of them have not yet reached the publication stage. Now, I don't mean by that to suggest that there have not been any publications. As a matter of fact, we have issued a total of 45 publications from Research and Marketing Act projects. These are from seven of the projects. From 14 of our 16 projects first reports are either in preparation or are in the hands of the printer. These do not represent the complete results of the work, but rather the first progress reports.

In 1950, we had research under way on 22 contracts. Twenty-one of those are being continued into 1951; one was a service contract, which has been completed. Nine additional contracts have been or will be arranged in 1951.

COOPERATION WITH STATES

We have cooperative work involving expenditures in various States in 25 locations; and, in addition, 23 projects in cooperation with States on which reports are in preparation. This work is continuing through correspondence, or conferences with the cooperating research institutions. We have been making a special effort to use the talents and the facilities of the country for research in the fields for which we have responsibility.

ADVISORY COMMITTEE

During the course of the year we have met with advisory committees representing the American Home Economics Association as well as with committees established under the Research and Marketing Act of 1946.

A major recommendation of the American Home Economics Association, which we have not yet been able to act on, was that the Bureau establish a Division of Home and Family Management. We recognize that good home management, like good farm management, is essential if farm family living is to be successful. We also recognize that home management is very complex because it requires an understanding of human development, and behavior, in addition to the economic considerations and the technical know-how on the management of goods and services. We have work under way in the latter two areas in connection with work of existing divisions. While there is great demand for research-based material on such problems as time and money management in the home, simplified housekeeping procedures, child development, and family relations, and while we have a great concern for that important field of work, we don't think this is the time to develop a new division to meet these needs. We do expect to continue work, as part of the program of our existing divisions, on such problems as management of family funds, work simplification and time management, and selection and management of food, clothing, and housing space.

About 80 percent of the bureau's work lies within the field of interest of the Advisory Committees that have been established under the Research and Marketing Act. Last year we had an opportunity to present our program as a whole.

Mr. WHITTEN. What percentage was that?

Dr. STIEBELING. Eighty.

We had the opportunity to present our entire program of work to the Agricultural Research Policy Committee last year, and have presented segments of it to various advisory commodity committees. These committees have urged much new and additional work that we haven't been able to undertake; conservatively estimated it would take more than a 60-percent increase in our budget to do so. We have however kept in mind the lines of work that are recommended by the committees and are picking them up as we can make adjustments in our Bureau's program in 1951 and will do more as further shifts can be made.

Food and Nutrition Advisory Committee

In December 1950 a special advisory committee on food and nutrition, set up under the Research and Marketing Act, considered the Bureau's nutrition program in considerable detail and that, as you know, represents more than 60 percent of the funds of the Bureau. We have attached to our Bureau's report on evaluation of program a full copy of that committee's recommendations.

(The membership of the committee referred to and its recommendations follow.)

Report and Recommendations of the Food and Nutrition Advisory Committee Meeting December 12, 13, and 14, 1950

By invitation of the Secretary the following persons accepted membership on the *ad hoc* Food and Nutrition Advisory Committee:

Dr. M. K. Bennett, executive director, Food Research Institute, Stanford University, Stanford, Calif.
Miss Gertrude Dieken, editor, Farmer's Wife, Farm Journal, Philadelphia, Pa.
Mrs. Hiram Cole Houghton,[1] president, General Federation of Women's Clubs, Washington, D. C.
Mrs. Marjorie Child Husted, consultant on food, Minneapolis, Minn.
Col. Paul P. Logan, director of food and equipment research, National Restaurant Association, Chicago, Ill.
Mrs. Ethel Austin Martin, director, nutrition service, National Dairy Council, Chicago, Ill.
Dr. L. A. Maynard,[1] School of Nutrition, Cornell University, Ithaca, N. Y.
Dr. Herbert E. Robinson, assistant director of research, Swift & Co., Chicago, Ill.
Miss Katherine R. Smith, director, Home Economics Division, National Canners Association, Washington, D. C.
Dr. E. Neige Todhunter, head, department of foods and nutrition, School of Home Economics of the University of Alabama, University, Ala.
Dr. James R. Wilson, secretary, council on foods and nutrition, American Medical Association, Chicago, Ill.

LIAISON MEMBER AND OBSERVERS, AGRICULTURAL RESEARCH POLICY COMMITTEE

Mrs. Raymond Sayre,[1] president, Associated Women of the American Farm Bureau Federation.
Dr. John D. Black, Harvard University.
Dr. C. G. King,[1] Nutrition Foundation, Inc.

Report and Recommendation of the Advisory Committee on Food and Nutrition to the Secretary of Agriculture

The committee recognizes the fundamental importance of nutrition to the welfare of the entire country. It appreciates the fact that the Bureau of Human Nutrition and Home Economics is in a unique position to take an over-all viewpoint and to conduct long-range planning and research in food and nutrition; that it is one of the few groups which are in a position to coordinate and make available to the country research information from studies being carried on at home and abroad.

[1] Unable to attend.

The committee commends the Bureau for its program. It was impressed with the value of the research projects that the Bureau is now conducting; and with the amount and quality of work that is produced by a small group with limited funds. The committee was impressed further by the morale of the staff, by the fine spirit with which the members work together, by the evidence of scientific objectivity of the personnel, and by the degree of coherence of the general program as it was presented.

The committee was favorably impressed with the way in which the Bureau coordinates its program with those of other agencies and seeks to cooperate in common objectives. It also commends the very efficient procedure of the Bureau in availing itself of the personnel and facilities of colleges and other laboratories that are well organized and equipped to carry on research under contract, thus making the greatest use of the Bureau's facilities.

RECOMMENDATIONS

The committee strongly recommends that the United States Department of Agriculture take the initiative in developing a strong and vigorous national food and nutrition program in cooperation with all accredited agencies that are interested and are suitably equipped as to training and experience to participate in the organization of such a plan, and that the Bureau of Human Nutrition and Home Economics serve as the core agency in conducting such a program.

The committee recommends that research in human nutrition conducted by the Bureau be strengthened commensurate with its importance to national defense and survival and the fulfillment of the chief aim and responsibility of the Department of Agriculture to provide foods and proper nutrition for the people.

The committee recommends that the Bureau's research on nutritional requirements be directed to the development of information which will be useful in the planning of substitute diets under conditions of emergency and shortage of certain foods.

The committee urges that the Bureau collaborate with the food allowance committee of the Food and Nutrition Board and other groups in examining available information on dietary allowances to determine the gaps in our knowledge requiring immediate research attention.

The committee recognizes the value of the coordinated studies and long-range planning in the research carried on by the Bureau of Human Nutrition and Home Economics on the influence of handling and preparation of food upon nutrient content and on studies of the physiological availability of nutrients. It recommends that this work not only be continued but be accelerated and that it be protected from encroachment of less important service projects. The committee believes the Bureau is uniquely qualified as a central agency to coordinate the work in this field.

While the committee appreciates the value of the work of the Bureau in the field of recipe development as exemplified by information included in the recently issued publication, Family Fare, it recommends that less emphasis be given in the immediate future to general recipe development, with the exception of that required by the school-lunch program and to meet needs for emergency mass feeding. Time given to recipe development may be used to better advantage in more fundamental studies of chemical, physical, and organoleptic properties of food in relation to methods of cooking.

The committee recommends that the Bureau give consideration to the establishment of liaison with industry and industrial organizations to exchange information on current food research and services, as a basis for mutual aid and to avoid duplication of work.

In view of the present status of information on the preservation of low-acid foods by canning, the committee recommends that the work on heat penetration and processing times be deemphasized during the emergency and that emphasis in this area be placed upon the relation of preparation to palatability and nutritive properties of the food.

The committee urges that special attention be given to the continuous collection of data on family food consumption. These data are needed from different regions and economic groups, and should give detailed information for analysis of factors influencing consumption. Information on family food consumption should be supplemented with surveys to determine the nutritional status resulting from customary and modified consumption patterns. Such information will be of particular value to administrators in the planning of food programs for civilian groups and to educators for the effective utilization of foods in adequate supply.

The committee recommends that studies of the Bureau of Human Nutrition and Home Economics on family food consumption be extended to include rural families and that consideration also be given to the collection of information on food consumed outside of the home—in restaurants and other eating places.

In addition to the maintenance of current data on consumption of food, the committee recognizes the importance of providing an adequate staff for the analysis of available data as a basis for intelligent planning of food programs for adequate nutrition and for the best use of available foods.

The type of family food planning developed by the Bureau is highly important from the standpoint of integrating and focusing all of the nutritional work and reducing it to terms of actual family life and family living. It should continue to receive attention and ways and means of expanding it should be considered. In a situation such as is facing the country now, the use of this information by all other agencies of the Government in national food planning is particularly important.

The committee recognizes the vital importance of giving continued and increased support to the study of nutrient requirements and food composition, and the importance in times of emergency of being able to translate existing knowledge in these fields into diet plans in terms of units of processed and unprocessed foods for the guidance of production, distribution, and consumption of food.

The committee recommends that the Bureau of Human Nutrition and Home Economics reexamine its outlets for extending information of its research findings to those who are channeling food and nutrition information to the public, to the end that this service may be multiplied. The committee feels deep concern that the valuable work of the Bureau is not widely enough known, and would like consideration given to ways and means by which this information may be more widely disseminated.

Dr. STIEBELING. On the whole the nature and the relative emphasis of our Bureau's nutrition work is in line with the recommendations of this committee, although we are unable at the present time to carry out the continuous collection of data on family food consumption that was suggested; we are unable to undertake the suggested collection of information on food consumption in public eating places; and we are unable to accelerate many of the lines of work which they emphasized.

That committee pointed out a matter which some of you have called attention to in the past, that the Bureau's work is less well known than it should be.

CLOSER CONTACTS WITH INDUSTRY PLANNED

The industry representatives on this committee felt that there should be more frequent interchange of information between Bureau staff and the home economics research and information personnel of business and industry. In line with that recommendation we are going to try to emphasize more than in the past that each staff member use all opportunities afforded to become better acquainted with the activities of industry and business groups. We shall continue to attend meetings of the home-economics-in-business group which are held in connection with the annual meetings of the American Home Economics Association, and we are planning to invite the editors of women's magazines and women's-page editors of newspapers to come to the Bureau's laboratories at the Agricultural Research Center. We have had a number of such visitors during recent years, but we have not made a concerted effort to use this channel of information to perhaps the fullest extent. We do believe that closer relationships with business and industry would be helpful in coordinating effort, and in providing additional channels for reaching the public. We believe

that it would supplement the fine relationships that we have developed with experiment stations and universities, extension and farm women's groups. Those have been developed very largely through our cooperative work with the land-grant colleges and universities.

I believe that I have summarized our evaluation of our program and have indicated the nature of the work now under way.

COMMODITY COMMITTEES

Mr. WHITTEN. Dr. Stiebeling, thank you for your statement with regard to your work. I notice that about 80 percent of your work comes within the purview of the subject matters that the various commodity committees are interested in. Now with regard to the other 20 percent, I believe you said that these committees have the opportunity to be familiar with your activities. If there were any recommendations from that source with regard to the other 20 percent of the work you would hear them, would you not?

Dr. STIEBELING. The other 20 percent of our work has been reviewed briefly by the Agricultural Research Policy Committee, and in detail by the Advisory Committee of the American Home Economics Association.

Mr. WHITTEN. I am not trying to intimate you should turn your work over to these commodity committees, but I do believe that a working arrangement between your own organization and such committees tends to give you a better review, and perhaps tends to eliminate that which may not be showing much progress or where we have got the answers and move on to something else. It is the hope of the committee that these advisory committees, and their influence as reflected through the policy committee of the Research Administrator's office, will be used to help formulate judgment as to where we should work and where we should move on.

Dr. STIEBELING. There is under consideration I believe by the Agricultural Research Administration the establishment of a committee on the rural home, which would cover the other 20 percent of our program. Research on housing, household equipment and economic problems of the home represent the parts that are not now covered by advisory committees appointed by the Secretary.

DISSEMINATION OF INFORMATION

Mr. WHITTEN. Your agency makes the results of your research available to the home through the extension workers? I mean that is your main means for dissemination of information, not that you don't use all other available means too?

Dr. STIEBELING. The extension workers reach chiefly the rural families. We also work very closely with the Office of Education in getting our information materials to the home economics teachers in cities as well as in rural places—those portions of research results that are applicable to city as well as rural situations in addition to the usefulness of results of our research to families, either rural or urban, there is a great deal of interest in the results of our research on the part of marketing analysts, and those who are responsible for planning food and fiber production and distribution.

Mr. WHITTEN. I listened with a great deal of interest to the review that your Bureau has made of its activities. While that is to the credit

of the Bureau, you are just like many other bureaus that we are hearing where consideration is given to changing to work which is more important, but no attention is being given to that which maybe we could get along without altogether. Your view is that there are so many things you would like to do that you haven't got sufficient funds to help us save anything this year?

Dr. STIEBELING. In order to do the things that we feel are very urgent in the defense effort we have discontinued work in some areas that otherwise we would have continued because of still important contributions that might have been made. We feel however that they are less important than the ones we have picked up in their stead at this particular stage of our Nation's history.

The number of problems that require attention, as brought to us by the commodity committees, by the American Home Economics Association, and other groups, are manyfold beyond those that we are now attacking.

Mr. WHITTEN. I believe that is all.

Mr. STIGLER. No questions, Mr. Chairman.

Mr. WHITTEN. Mr. Andersen?

Mr. ANDERSEN. No questions, Mr. Chairman, except this short observation. We are certainly glad to have the ladies here before us once more. We all realize that they are doing a fine job in their Bureau. We do, as the chairman has stated, have to review the entire matter of expenditures from the viewpoint of what is absolutely necessary today, and that is what we intend to do all along the line; whatever we do, of course, will not in my opinion be directed at any one particular agency, Mr. Chairman. It is simply what we must do as guardians of the money of the people of the United States.

PROGRAM ACCOMPLISHMENTS

Mr. WHITTEN. I believe that I will ask that 118 through 121 be inserted in the record at this point to show some of the accomplishments of this program.

(The material referred to is as follows:)

STATUS OF PROGRAM

Current activities

The research of the Bureau of Human Nutrition and Home Economics consists of both laboratory and field investigations, many under cooperative or contract arrangements with other research organizations. It includes:

1. *Food and nutrition.*—Determining the nutritional requirements of people; the composition and nutritive value of food to meet these needs; the best use of agricultural products, including food selection, care of food in the home, and the most suitable methods of home food preparation and preservation.

Current research includes studies of the requirements of children and young people for selected nutrients; food intake in relation to nutritional status; the physiological availability of food energy, carotene, and ascorbic acid from selected foods; the distribution in foods of selected amino and fatty acids, folic acid, and pantothenic acid; improved methods of household preparation as related to food quality; development of recipes for effective home, school, and other institutional use; and investigations of food spoilage organisms as related to food conservation.

2. *Family economics.*—Investigating problems of household buying, and the adequacy and relative economy of the food, clothing, and other goods and services that are consumed by various population groups, particularly the major items of household expenditure which serve as indicators of farm family living standards.

Special emphasis is being given to studies of levels of living achieved by farm families and of factors affecting the food consumption and dietary adequacy of urban and rural families; periodic appraisal of the nutrient content of national

food supplies; and compilation of available data on the composition of foods as marketed and as prepared for eating.

3. *Textiles and clothing.*—Emphasizing studies to assist homemakers with the selection, use, and care of family clothing and to help producers in the development of fibers, fabrics, and garments for specific consumer uses.

Research is in progress on technical problems pertaining to consumer use and quality of clothing and household textiles; serviceability in actual use of fabrics of known composition and construction; causes of deterioration of fabrics during use; and the relative efficiency of various household detergents in fabric reconditioning.

4. *Housing and household equipment.*—Involving studies of the housing needs of families and development of plans for rural houses with efficient work areas, adequate storage space, and arrangements for satisfying family living; and research to improve the selection, care, and use of household equipment.

Work under way includes cooperative development of house plans for the Southern Regional Plan Exchange Service; completion of reports on housing needs and preferences of families (cooperative with experiment stations in the western and southern regions); determination of adequate space and other facilities for effective home food preservation; studies of the operating characteristics of home laundry equipment.

Selected examples of recent progress

Following are examples of progress in these fields during the past year:

1. *Family food consumption.*—The results of food consumption surveys conducted in 1948–49 among urban families have been published in a series of 10 summaries dealing with individual commodities, such as Fruit Selections, and in 14 other reports providing comparative data for different cities. These studies enable estimates to be made of present and potential utilization of agricultural products among city families, classified by income, place of residence, and seasonal practices. Programs to expand consumption and to improve nutrition are aided by these findings. The data give figures on quantities bought and expenditures for the major food groups and many individual items, percentage of families buying, and the nutritive value of the diets. They are being widely used by marketing analysts, educators, and administrators.

2. *Food analyses.*—Over 140 foods have been analyzed for folic acid content, a recently discovered vitamin for which comprehensive and quantitative data are needed. Analyses are also being made of nutritionally important fatty acids and of essential amino acids in raw and cooked food samples, and methods are being developed for determining the quantitative distribution of other less well-known nutrients in common foods.

3. *Food composition tables.*—Comprehensive new tables summarizing current knowledge on the nutritive value of about 750 food items give data on cooked and uncooked foods for nutritionists, teachers, physicians, homemakers, economists, and others needing such facts to calculate dietaries or to compare the relative value and economy of different foods.

4. *Quantity service recipes.*—Following recommendations of the Department's commodity advisory committees, recipes are being developed to stimulate use of abundant foods in institutions and restaurants. First issues of Recipes for Quantity Service have been published and are being distributed upon request to about 10,000 hospitals, residence halls, restaurants, Federal prisons, State institutions, extension workers, and others concerned with serving food to large groups.

5. *Dry milk.*—Information on the nutritive value, storage, and use in cooking of dry milk, whole and nonfat, along with more than 50 recipes, was developed and distributed to families through a 32-page leaflet How to Use Whole and Non-Fat Dry Milk.

6. *Apples.*—An examination of more than 1,700 samples of apples available to consumers in retail stores during the winter and spring months of 1947–48 and 1948–49 showed that losses due to bruises were greater than to rots, cuts, insect injury, and internal breakdown and that the yield of edible material was 77 and 73 percent respectively, in the 2 years. This work was cooperative with the State agricultural experiment stations of the north-central region.

7. *Bacteriological studies related to home canning.*—Laboratory findings have shown that certain of the naturally occurring vitamins or their synthetic analogs can either increase or decrease the resistance to heat of organisms causing spoilage in canned food. Further study of these effects may result in methods for treating foods before canning so as to reduce the heat processes required for sterilization.

8. *Selection and use of home food freezers.*—A popular bulletin recently published gives information for prospective purchasers and users of home food freezers.

It includes a discussion of the cost of owning and operating a freezer, the design, construction, and refrigerating mechanism of typical kinds and suggestions for using this piece of household equipment. Tables have been formulated to enable families to determine readily the size of freezer they need.

9. *Effect of fiber content on serviceability of a staple household textile.*—Laboratory evaluation of seven bed sheetings containing various proportions of cotton and rayon showed that as the proportion of cotton in the sheetings increased, the breaking strength, resistance to abrasion, and dimensional stability increased.

10. *Serviceability of cotton clothing fabrics differing in construction.*—Nearly a thousand work dresses made under contract from a uniform pattern but utilizing percales of different quality (based on thread count) are being examined at regular intervals during wear at Washington, Kansas, and Michigan State Colleges, and at the University of Maryland. Marked differences in the fabrics' resistance to wear in different parts of the garments are being observed. Some high-count percales withstood 60 wear periods (equivalent to about 28 months of average wear and laundering by a homemaker), whereas in many instances the medium and low-count fabrics were worn out after 45 wear periods (equivalent to about 21 months of ordinary service).

11. *Studies of family clothing supplies.*—The clothing inventories of 514 Minneapolis-St. Paul, Minn. families, classified by income, have been analyzed in a recent report. Figures are available not only for the average number of still usable garments (about 55 items) in the wardrobes of family members, but also for garments made of cotton, wool, and other fibers.

12. *Financing house improvements.*—Based in part on a study of the experiences of a group of families of North-Central States, a new bulletin, "Using Credit to Finance Farmhouse Improvements," outlines financial considerations important whether the financing is with credit or with cash. The pamphlet was written primarily for extension agents, teachers, and others who help farm families plan remodeling and modernizing of their houses.

13. *Housing needs and preferences.*—More than 4,000 rural families in 43 States have been interviewed regarding their housing needs and preferences in a survey by the Bureau and 29 State agricultural experiment stations. The northeastern regional report has been published, the north-central one is in press, and the southern and western ones are in preparation. The data will give guidance to architects and others concerned with planning houses adapted to rural family life.

14. *Household utensils.*—A buying guide for homemakers has been published which discusses materials, design, and construction features of utensils needed for cooking family meals. The lists were established by a Bureau study in cooperation with California, Nebraska, and Rhode Island experiment stations to include both minimum and desirable standards of need.

RESEARCH AND MARKETING ACT, TITLE II

Mr. WHITTEN. You have certain other funds here from the Research and Marketing Act, title II. You say it is contemplated you will continue to receive that through this coming fiscal year. Is marketing going to be as important in this period as it has been in the past?

Dr. STIEBELING. With the $10,000 available to us under title II we are giving assistance particularly to home economics groups in the States who are carrying on the home economics aspects of regional and State problems of marketing. We are not conducting research on our own. We render advisory assistance, such as passing on techniques that we have learned through the years. The problems under study are problems of State and regional importance.

RESEARCH UNDER SCHOOL-LUNCH FUNDS

Mr. WHITTEN. You have $25,000, "Nutritional requirements of school feeding programs." I readily recognize the value of that, and of course through the 150 years or more of our existence in this country there has been some change in eating habits. But has that got to be

an annual program, or should we get some returns on that which would last at least for a few years?

Dr. STIEBELING. What we are doing with that money, Mr. Whitten, are these things: First, we are developing recipes for special commodities that are distributed by the Government directly to schools. If they are not familiar ones, for instance, or if they are commodities which the children ordinarily do not like very well, we try to develop ways of cooking and serving them so that the children will like them and eat them. The recipe development work, however, is a very small part of the total.

Another study which we have under way is completing a comparison of the cost and nutritive value of the food children eat, under two different kinds of school situations: One, where they are served a type A lunch and there is no choice on the part of the children; the other where there is an array of foods available and the children choose what they want. Those who are responsible for administering the school lunch program are concerned to know what are the differences in consumption, under the two types of lunch arrangements, and what the difference is in nutritive value and in cost to children and to Government.

Then a new project, which the Food Distribution Branch has asked us to undertake, is to develop a series of training slides, to help school lunch cooks do a better job of preparing certain kinds of foods which now are not readily accepted in the schools, and of which there is a good deal of plate waste.

All of the researches which we undertake under the school lunch funds are those that the Food Distribution Branch, charged with the responsibility of school lunch, feels would contribute to more effective operations.

PERSONNEL REQUIREMENTS

Mr. WHITTEN. About the supply of personnel: Do you anticipate losing personnel to the Military Establishment? In some instances the pay is rather high, and in others the patriotic motive enters into it.

Dr. STIEBELING. We have lost one or two up to now. However, I think that our staff feels that on the jobs on which they are concentrating they are making as important a contribution in the long run as they would be able to make if they were in a defense organization. Many of the studies which we are undertaking are related to those which in the last war the Armed Forces supported through contract with governmental agencies or others. All of our studies on food and fabric utilization we feel are extremely important. We believe it is as much of a contribution to defense to use effectively the things that are produced as it is to produce things, and since a large proportion of production goes into civilian consumption, we feel we have a real contribution to defense to make in our own shop.

Mr. WHITTEN. I am sure that is true.

Are there further questions?

DEFENSE ACTIVITIES

Mr. ANDERSEN. Do the armed services, Doctor, ever inquire of you for information relative to their feeding of the manpower in the services?

Dr. STIEBELING. Yes, sir; we have just completed, at the request of the Army, a special table of food composition for use by the Armed Forces. This was paid for in part by the Office of the Quartermaster General. It intended to cover the cost of the preparation of this publication but it took more time than we had anticipated to develop information on the nutritive value of some of the special items of the Army ration.

We also are in process of preparing a manual at the request of the National Security Resources Board for civil defense, on mass feeding in connection with possibie disaster.

Mr. ANDERSEN. I have just heard you make the statement that it was just as patriotic to use well what we have produced as it is to produce additional food. I certainly agree with you. Along that line of thought, I am thinking about the huge amount of waste in the armed services when it comes to feeding the men, and if there was some way that your Bureau could eliminate some of that waste in the kitchens, which I personally have observed at times, we could save the taxpayer a good many hundreds of thousands of dollars.

Dr. STIEBELING. We have been a part of a committee that has been considering, under the leadership of the National Research Council, the research needed to determine how much food must be procured to put on the soldier's plate the nutriment he needs. We proposed a piece of research that we felt would help to give answers to that question—of course, not on the entire front, but a piece of it that we felt we were in a position to do. Exactly what character of work we may be asked to do this year we are not quite sure, because it is still being negotiated. There is concern on the part of Army, Navy, and Air Force for information on procurement necessary to provide adequate diets and I am sure that when studies are made the matter of waste and the points at which some savings could be made will come out.

Mr. ANDERSEN. That is all; thank you.

Mr. WHITTEN. Thank you, Dr. Stiebeling. We are glad to have had you folks before our committee.

Dr. STIEBELING. Do you care for further insertions on progress beyond what you indicated?

Mr. WHITTEN. I believe that will be sufficient.

BUREAU OF ANIMAL INDUSTRY

WITNESSES

DR. B. T. SIMMS, CHIEF, BUREAU OF ANIMAL INDUSTRY
DR. S. O. FLADNESS, ASSISTANT CHIEF, BUREAU OF ANIMAL INDUSTRY
DR. HUGH C. McPHEE, ASSISTANT CHIEF, BUREAU OF ANIMAL INDUSTRY
DR. A. R. MILLER, ASSISTANT CHIEF, BUREAU OF ANIMAL INDUSTRY, AND CHIEF, MEAT INSPECTION DIVISION
DR. M. R. CLARKSON, CHIEF, INSPECTION AND QUARANTINE DIVISION, BUREAU OF ANIMAL INDUSTRY
K. A. BUTLER, ASSISTANT CHIEF, BUREAU OF ANIMAL INDUSTRY
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Salaries and Expenses

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$23,215,100	$24,369,000	$24,850,000
Transferred to "Eradication of foot-and-mouth disease and other contagious diseases of animals and poultry, Agricultural Research Administration," pursuant to Public Law 146	−15,000		
Adjusted appropriation or estimate	23,200,100	24,369,000	24,850,000
Unobligated balance, estimated savings	−93,097		
Savings under sec. 1214		−131,000	
Obligations incurred	23,107,003	24,238,000	24,850,000
Comparative transfers from—			
"Research and Marketing Act of 1946, Department of Agriculture"	774,094		
"Special research fund, Department of Agriculture"	398,346		
Comparative transfer to "Salaries and expenses, Office of Information, Department of Agriculture"	−1,980	−2,900	
Total direct obligations	24,277,463	24,235,100	24,850,000
REIMBURSABLE OBLIGATIONS			
Payments received from non-Federal sources	2,270,674	2,284,000	2,284,000
Reimbursements for services performed	264,210	251,300	251,300
Comparative transfers from—			
"Research and Marketing Act of 1946, Department of Agriculture"	1,203		
"Special research fund, Department of Agriculture"	201		
Total reimbursable obligations	2,536,288	2,535,300	2,535,300
Total obligations	26,813,751	26,770,400	27,385,300

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Animal research:			
(a) Animal husbandry	$2,256,453	$2,235,432	$2,199,883
(b) Infectious and noninfectious diseases of animals	812,236	778,449	826,597
(c) Parasites and parasitic diseases of animals	498,623	514,319	512,920
Subtotal	3,567,312	3,528,200	3,539,400
2. Animal disease control and eradication:			
(a) Eradicating tuberculosis and Bang's disease	6,309,873	6,217,662	6,191,263
(b) Eradicating scabies	108,041	116,486	115,746
(c) Eradicating cattle ticks	309,539	293,474	283,229
(d) Control of hog cholera and related swine diseases	23,377	35,648	35,617
(e) Determining the existence of diseases in the field	11,336	13,964	13,942
(f) Import-export inspection and quarantine	317,559	374,121	373,753
(g) Supervision over interstate movement of livestock	456,882	450,360	449,805
(h) Control of manufacture, importation, and shipment of viruses, serums, toxins, etc	397,505	405,595	404,645
Subtotal	7,934,112	7,907,300	7,868,000
3. Marketing agreements, hog cholera virus and serum			49,300
4. Meat inspection:			
(a) Meat inspection operations at packing plants under the Federal meat inspection service	12,542,894	12,575,600	13,169,300
(b) Determination of adulterations and other objectionable conditions in meat and meat food products by laboratory analysis	146,052	146,000	146,000
(c) Inspection of imported meats and meat food products	47,336	47,000	47,000
(d) Chemical, pathological and zoological investigations relating to meat inspection	39,757	31,000	31,000
Subtotal	12,776,039	12,799,600	13,393,300
Total direct obligations	24,277,463	24,235,100	24,850,000
REIMBURSABLE OBLIGATIONS			
1. Animal research:			
(a) Animal husbandry	8,481	6,000	6,000
(b) Infectious and noninfectious diseases of animals	173		
(c) Parasites and parasitic diseases of animals	283	300	300
Subtotal	8,937	6,300	6,300
2. Animal disease control and eradication:			
(a) Eradicating tuberculosis and Bang's disease	1,804		
(c) Eradicating cattle ticks	53		
(f) Import-export inspection and quarantine	1,634	11,000	11,000
(h) Control of manufacture, importation, and shipment of viruses, serums, toxins, etc	11,104	18,000	18,000
Subtotal	14,595	29,000	29,000
4. Meat inspection:			
(a) Meat inspection operations at packing plants under the Federal meat inspection services	2,512,756	2,500,000	2,500,000
Total reimbursable obligations	2,536,288	2,535,300	2,535,300
Total obligations	26,813,751	26,770,400	27,385,300

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	5,335	5,127	5,290
Full-time equivalent of all other positions	278	247	231
Average number of all employees	5,308	5,225	5,354
Personal service obligations:			
Permanent positions	$20,285,702	$20,547,894	$21,209,416
Part-time and temporary positions	505,713	478,088	414,488
Regular pay in excess of 52-week base	77,777		82,921
Payment above basic rates	2,021,464	1,989,766	1,989,766
Total personal service obligations	22,890,656	23,015,748	23,696,591
Deduct charges for quarters and subsistence	15,236	15,150	15,150
Net personal service obligations	22,875,420	23,000,598	23,681,441
DIRECT OBLIGATIONS			
01 Personal services	20,346,418	20,468,998	21,149,841
02 Travel	614,259	575,000	577,000
03 Transportation of things	86,021	86,000	86,000
04 Communication services	63,534	62,700	62,700
05 Rents and utility services	122,246	122,000	95,500
06 Printing and reproduction	86,237	90,500	90,500
07 Other contractual services	301,250	314,000	288,000
Services performed by other agencies	195,367	181,000	181,000
08 Supplies and materials	834,117	785,316	743,242
09 Equipment	174,636	135,000	170,000
10 Lands and structures	61,378	51,000	40,000
13 Indemnities:			
Tuberculosis	447,000	420,000	420,000
Bang's disease	945,000	940,000	940,000
15 Taxes and assessments		3,586	6,217
Total direct obligations	24,277,463	24,235,100	24,850,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	2,529,002	2,531,600	2,531,600
02 Travel	1,278	1,000	1,000
05 Rents and utility services	1,861	1,000	1,000
07 Other contractual services	2,350	1,700	1,700
08 Supplies and materials	1,797		
Total reimbursable obligations	2,536,288	2,535,300	2,535,300
Total obligations	26,813,751	26,770,400	27,385,300

Mr. WHITTEN. Gentlemen, we have Dr. Simms and his associates with us from the Bureau of Animal Industry.

In connection with your testimony I would like to have pages 123 through 125, and 130 through 134 inserted in the record at this point.

(The material is as follows:)

PURPOSE STATEMENT

The Bureau of Animal Industry, established by the act of May 29, 1884, conducts research and administers a program primarily concerned with the protection and development of the livestock, meat, poultry, and related industries.

1. Research includes—

(*a*) Experiments on the improvement of livestock (except dairy cattle), poultry and domestic fur animals, together with studies of methods of improving the quality and usefulness of their products.

(*b*) Investigations of diseases and parasites affecting all classes of livestock, poultry, and domestic fur animals.

2. Protective measures include—

(*a*) Inspection of animals and poultry at ports of entry, together with inspection and supervision of animal products or materials permitted entry under restrictions, in order to exclude diseases of foreign origin, particularly such dangerous diseases as foot-and-mouth disease and rinderpest, and examination for purposes of identification of purebred animals offered for entry free of duty.

(*b*) Inspection of livestock offered for export and of facilities on transporting vessels to assure their humane handling and safe transport.

(*c*) Control of interstate movement of livestock to detect and prevent the spread of communicable diseases, including inspection of all animals received at the larger stockyards; and administration of the 28-hour law which is designed to prevent cruelty to animals in interstate transportation.

(*d*) Supervision of the preparation of veterinary biological products to assure their purity and potency, and administration of a marketing agreement and order designed to maintain adequate supplies of hog cholera virus and anti-hog cholera serum.

(*e*) Control and eradication of diseases in the field, such as tuberculosis, brucellosis, cattle fever ticks, cattle and sheep scabies, hog cholera and related swine diseases, dourine of horses, etc., and of such diseases as foot-and-mouth disease, European fowl pest, etc., when such diseases occur in the United States.

(*f*) Federal meat inspection under the Meat Inspection Act, the Horse Meat Act, and the Imported Meat Act, and regulations promulgated thereunder having for their purpose the production of a clean and wholesome meat supply for human consumption.

(*g*) Cooperation with Mexico in the control and eradication of foot-and-mouth disease there, including related research in European laboratories and a program (conducted through the Production and Marketing Administration) for the sale of canned meat and meat products purchased in northern Mexico in previous fiscal years, and assisting the Commodity Credit Corporation in the fiscal year 1951 in the purchase of frozen beef in Mexico to fill needs of ECA countries. Purchase of canned meat was considerably reduced in the fiscal year 1950 and was discontinued February 28, 1950. Protective measures in the United States are also pursued which include patrol of the Mexican-United States border to prevent entry of animals susceptible to the disease and to supervise the handling of any materials which might harbor the virus, as well as strengthened inspections at public stockyards and in the field to detect immediately any possible introduction of foot-and-mouth disease in the United States.

(*h*) Inspection and certification of canned animal foods upon application of manufacturers, financed by fees covered into the Treasury.

The Bureau maintains a central office in Washington, D. C., but most of its work is conducted in the field. Its stations, substations, and laboratories are located in 455 cities and towns in the United States and Territories, and at 46 cooperating agricultural experiment stations. Work is also conducted in the field in Mexico and at three European research laboratories. Employees are engaged in work on farms, ranches, ports of entry into the United States, meat-packing establishments, public stockyards, establishments licensed under the Virus Serum Toxin Act, etc. On November 30, 1950, there were 6,611 full-time employees, 429 of whom were in Washington and the remainder in the field; and 252 part-time employees who work intermittently in the field.

Appropriated funds

Estimated, 1951	$24,235,100
Budget estimate, 1952	[1] 57,550,000

[1] Includes $32,700,000 to reimburse Commodity Credit Corporation for funds advanced and expenses incurred in fiscal year 1950 for control and eradication of foot-and-mouth disease.

Summary of appropriations, 1951 and estimates, 1952

[Amounts in brackets are not included in totals]

Item	Total estimated available, 1951 [1]	Budget estimates, 1952	Increase (+) or decrease (−)
Salaries and expenses:			
Animal research	$3,528,200	$3,539,400	+$11,200
Animal disease control and eradication	7,907,300	7,868,000	−39,300
Marketing agreements, hog cholera virus and serum	[2] [49,300]	49,300	+49,300
Meat inspection	12,799,600	13,393,300	+593,700
Total, salaries and expenses	24,235,100	24,850,000	+614,900
Eradication of foot-and-mouth and other contagious diseases of animals and poultry	([3])	[3] 32,700,000	[3] +32,700,000
Total, direct annual appropriation	24,235,100	57,550,000	+33,314,900

[1] Adjusted for comparability with the appropriation structure proposed in the 1952 budget estimates.
[2] Transfer from appropriation made by section 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933.
[3] In addition to prior year balances of $5,923,680 and $443,616 available in fiscal years 1950 and 1951, respectively, the 1950 and 1951 Agricultural Appropriation Acts authorized the Secretary to transfer from any funds available to the Department amounts necessary to finance the foot-and-mouth disease eradication program, subject to later reimbursement when an appropriation therefor is made. Similar authority is proposed for the fiscal year 1952 pending determination of the financial requirements of the program. The 1952 budget estimates propose an appropriation of $32,700,000 to repay Commodity Credit Corporation for amounts advanced to finance the program in the fiscal year 1950.

Salaries and expenses

	Animal research	Animal disease control and eradication	Marketing agreements, hog cholera virus and serum	Meat inspection	Total
Appropriation Act, 1951 (adjusted)	$3,619,000	$7,950,000		$12,800,000	$24,369,000
Reduction pursuant to sec. 1214	−89,000	−42,000			−131,000
Activities transferred in 1952 estimates to "Salaries and expenses, Office of Information" for distribution of motion pictures	−1,800	−700		−400	−2,900
Base for 1952	3,528,200	7,907,300		12,799,600	24,235,100
Budget estimate, 1952	3,539,400	7,868,000	$49,300	13,393,300	24,850,000
Net increase	+11,200	−39,300	+49,300	+593,700	+614,900

Summary of increases and decreases, 1952

Animal research:	
For investigations to develop improved and more economical means for control of hog cholera	+$48,600
Decrease resulting from closing out of horse breeding work at Middlebury, Vt	−34,000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−3,400
Subtotal	+11,200
Animal disease control and eradication:	
Decrease for cattle tick eradication work in Florida	−10,000
Decrease due to providing a direct appropriation to the General General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−29,300
Subtotal	−39,300

Summary of increases and decreases, 1952—Continued

Marketing agreements, hog cholera virus and serum: To provide a direct appropriation for marketing agreements, hog cholera virus and serum, in lieu of annual transfer from the appropriation made by sec. 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933	+$49, 300
Meat inspection:	
To provide for more adequate enforcement of laws relating to meat inspection	+600, 000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−6, 300
Subtotal	+593, 700

Project statement

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
1. Animal research:					
(a) Animal husbandry	$2, 256, 453	$2, 235, 432	−$1, 549	−$34, 000	$2, 199, 883
(1) Swine husbandry investigations	(375, 354)	(386, 285)	(−300)		(385, 985)
(2) Sheep and goat husbandry investigations	(381, 764)	(373, 923)	(−300)		(373, 623)
(3) Horse and mule husbandry investigations	(54, 492)	46, 366)		(−34, 000)	(12, 366)
(4) Beef cattle husbandry investigations	(477, 240)	(497, 795)	(−300)		(497, 495)
(5) Dual-purpose cattle husbandry investigations	(101, 043)	(98, 084)	(−75)		(98, 009)
(6) Poultry husbandry investigations	(744, 696)	(731, 509)	(−500)		(731, 009)
(7) Fur animal husbandry investigations	(96, 179)	(101, 470)	(−74)		(101, 396)
(8) Liquidation of Agriculture Remount Service	(25, 685)				
(b) Infectious and noninfectious diseases of animals	(812, 236)	778, 449	−452	+48, 600	826, 597
(1) Cattle	(409, 043)	(363, 241)	(−452)		(362, 789)
(2) Swine	(189, 644)	(215, 409)		+48, 600	(264, 009)
(3) Sheep and goats	(27, 758)	(26, 765)			(26, 765)
(4) Horses	(45, 580)	(24, 032)			(24, 032)
(5) Poultry	(101, 692)	(110, 871)			(110, 871)
(6) Fur animals	(38, 519)	(38, 119)			(38, 131)
(c) Parasites and parasitic diseases of animals	498, 623	514. 319	−1, 399		512, 920
(1) Cattle	(131, 359)	(147, 274)	(−150)		(147. 124)
(2) Swine	(56, 318)	(59, 222)			(59, 222)
(3) Sheep and goats	(72, 870)	(84, 294)	(−1, 249)		(83, 045)
(4) Poultry	(38, 252)	(37, 124)			(37, 124)
(5) Fur animals	(16, 241)	(16, 360)			(16, 360)
(6) Treatments	(131, 386)	(129, 762)			(129, 762)
(7) Miscellaneous parasite investigations	(52, 197)	(40, 283)			(40, 283)
Subtotal	3, 567, 312	3, 528, 200	−3, 400	+14, 600	3, 539, 400

Project statement—Continued

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
2. Animal disease control and eradication:					
(a) Eradicating tuberculosis and Bang's disease	$6,309,873	$6,217,662	−$26,399		$6,191,263
(b) Eradicating scabies	108,041	116,486	−740		115,746
(c) Eradicating cattle ticks	309,539	293,474	−245	−$10,000	283,229
(d) Control of hog cholera and related swine diseases	23,377	35,648	−31		35,617
(e) Determining the existence of diseases in the field	11,336	13,954	−12		13,942
(f) Import-export inspection and quarantine	317,559	374,121	−368		373,753
(g) Supervision over interstate movement of livestock	456,882	450,360	−555		449,805
(h) Control of manufacture, importation, and shipment of viruses, serums, toxins, etc	397,505	405,595	−950		404,645
Subtotal	7,934,112	7,907,300	−29,300	−10,000	7,868,000
3. Marketing agreements, hog cholera, virus and serum				+49,300	49,300
4. Meat inspection:					
(a) Meat inspection operations at packing plants under the Federal meat inspection service	12,542,894	12,575,600	−6,300	+600,000	13,169,300
(b) Determination of adulterations and other objectionable conditions in meat and meat food products by laboratory analysis	146,052	146,000			146,000
(c) Inspection of imported meats and meat food products	47,336	47,000			47,000
(d) Chemical, pathological, and zoological investigations relating to meat inspection	39,757	31,000			31,000
Subtotal	12,776,039	12,799,600	−6,300	+600,000	13,393,300
Unobligated balance	+93,097				
Total available	24,370,560	24,235,100	−39,000	+653,900	24,850,000
Transfer in 1950 to "Eradication of foot-and-mouth and other contagious diseases of animals and poultry, Agricultural Research Administration, Department of Agriculture"	+15,000				
Transfer in 1951 estimates from—					
"Research and Marketing Act, 1946, Department of Agriculture"	−774,094				
"Special research fund, Department of Agriculture"	−398,346				
Transfer in 1952 estimates to "Salaries and Expenses, Office of Information, Department of Agriculture"	+1,980	+2,900			
Reduction pursuant to sec. 1214		+131,000			
Total appropriation or estimate	23,215,100	24,369,000			

Mr. WHITTEN. Dr. Simms, we will be glad to have your general statement. I take it that you are one of the few bureaus that in view of the national emergency won't need nearly so much money as you have had for the previous year.

We have been looking for such a bureau since we started our hearings. I will be perfectly honest with you; we haven't found one yet.

GENERAL STATEMENT

Dr. SIMMS. Well, I hate to disappoint you, but I am afraid insofar as our statements are concerned, we will have to hold out a little bit of disappointment in that line.

Mr. Chairman and members, there may be somewhat of a sameness in our hearing year after year, but if there is a sameness it is because our objectives and responsibilities remain the same.

We are working with the approximately 5,000,000 farm and ranch families in our country in efforts to increase the amount of food of animal origin available for our 150,000,000 people, so our job stays the same from year to year. It is always our objective to have available for our folks a satisfactory supply of wholesome food of animal origin.

We don't take this responsibility lightly. We believe very sincerely that if our people are well fed we go a long ways toward having a satisfied people. If they are poorly fed, we may have dissatisfied people.

We think in the Bureau of Animal Industry we have good esprit de corps. We believe most of our people accept their responsibility with seriousness. They do not object at all to tough assignments or hard jobs. We try not to have anything in our Bureau except jobs that are hard because we want the people who are working with us to put in full time, use all the ability that they have, all of their ingenuity, in order to get this done.

In general, I would say the last year has been a rather good one. Our research work has moved along satisfactorily. It is quite difficult to say that a project bears fruit in any one year because most of them are long-time projects, but they are bearing fruit over long periods. I brought along today one of the farm magazines that has an article in it that refers specifically to work done by our Bureau. This was written by one of their staff.

The writer makes a statement:

> This is an idea originated several years ago by the United States range station at Miles City, Mont.

The editor has an insert:

> This is one of the most exciting things in the beef business today.

Mr. WHITTEN. I read that article, Doctor. It is good.

Dr. SIMMS. That is an example of some of the accomplishments in breeding work.

This is an example of some of the, you might say, "products" of our research work in the breeding field. We are doing similar work with other types of livestock, and in the feeding field. We haven't brought along references to it, but the poultry producers who are producing fryers and broilers, are making a pound of broilers with 3 pounds of feed, where some few years ago it took 4 pounds of feed to make a pound of broiler.

DISEASE CONTROL ACCOMPLISHMENTS

Our research work in disease control is also paying dividends. Many of our diseases which we have studied for a long time are gradually being pushed back, they are less important to us than they were. For instance, you know that we worked with brucellosis for many years as a research problem; we are now working with it on an eradication basis in the field. Our last year's report shows that the percentage of reacting cows in the country has been cut about in half in the last 14 or 15 years. We could put that in dollars. It would make a very large sum if we did.

Our efforts at keeping disease out of the country have been reasonably successful. We did have one foreign disease introduced in the 12-month period since we appeared before you last year. The Asiatic form of Newcastle disease in poultry showed up in the San Francisco Bay area. It was of some interest to us to find that of the 42 domestic chickens the owner had on his place, 41 died with the disease. Working with the University of California, and with the livestock sanitary authorities in that State, we succeeded in holding the disease to the one premise. It was eradicated, without spreading from this particular premise where it appeared. This disease came in from Asia with an importation of birds.

Our field control and eradication work, that is control of diseases that are already in our country, has also made reasonably good progress. Our tick eradication, which now is a relatively minor problem, has come along fairly well. Our brucellosis and tuberculosis control and eradication programs have moved forward. We have had not too much success, however, in pushing sheep scab back further. That is one of the problems that is causing us somewhat of a headache at the present time.

That is a brief picture of what we have tried to do in the past 12 months.

I would like to point out to you how we try to do these things.

COOPERATIVE PROJECTS

Our research programs are to a very large extent cooperative. We work with the State experiment stations in our research. Our disease control and eradication work in the individual States is also cooperative. We work with the State departments of agriculture, the State veterinary officials in this part of the program. By working on a cooperative basis we accomplish two things: One is, we save a very considerable amount which would be necessary for the installation of facilities with which to work. Our cooperative beef project, for instance, is a good example. If all of that work was being done in our Bureau it would require the ownership of large tracts of land, large numbers of cattle. The same thing would be true of our swine breeding, our poultry breeding. When we do cooperative work, the States furnish the flocks, the herds, they furnish the quarters for taking care of them, at their stations, and the expenses of the feed. We put in some personnel. A second accomplishment is, we work on the problems that the States themselves are interested in. If the State isn't interested in it, they don't enter into a cooperative project.

I have mentioned our beef and swine breeding. The same thing is true of our work with Newcastle disease in poultry, X-disease in

cattle, baby pig diseases. They are cooperative projects in which the States and Bureau of Animal Industry work together, pooling funds, and personnel; in many instances the State putting in much larger percentage of the funds than the Bureau.

The same thing is true of our disease control and eradication. I have two charts here that will point out to you the funds that are put in on tuberculosis and brucellosis control and eradication. This chart shows the expenditures by the States and the Federal Government on tuberculosis eradication.

This line shows the Federal funds. Up here you notice, back in the time of the drought emergency in the 1930's we were spending a large amount of Federal money. The Federal fund now makes up a little less than half of the amount the States put in on this cooperative project.

This is a similar chart showing our cooperative work on brucellosis control and eradication. Here again at the beginning of the program in the 1930's we put in large amounts. The amount has dropped, though, for the Federal Government, and the State fund has gone up, so that now the States are putting in a very considerably larger amount than we are.

We think this type of cooperative work is logical. We think it is the most economical and the most successful approach. We are tending to enlarge our cooperative work rather than to cut down on it.

For the future, and that is what we are here to discuss today, I might say that we are constantly reviewing our projects, trying to determine which ones need more emphasis, which ones can be deemphasized to some extent, because the demand is always greater than is our ability to take care of it.

We shift emphasis from time to time, keeping in mind always the fundamental objective; that is, that we must produce enough good foods of animal origin, enough animal products, such as leather and wool, to take care of our population. We have been reasonably successful in doing this in the past, but looking to the future we realize that the job will become harder. We aren't increasing the number of acres in the country so that our production per acre must go up if our people are to be well fed.

POPULATION AND MEAT PRODUCTION STATISTICS

We have another chart here that I would like to call your attention to. This chart shows our population and meat for the years 1930, 1940, and 1950 and projected to 1960.

The first graph is population. We had 122,000,000 people in 1930; in 1940, 131,000,000; by 1950, 151,000,000, the Census Bureau expects 169,000,000 by 1960, according to the advice they have just given me.

Our meat production in 1930 was 16,000,000,000 pounds; 1940, 19,000,000,000; 1950, 22,000,000,000 pounds; and we will have to go up to 25 or 26 billion pounds by 1960 if we continue to feed our people. the same amount of meat. The problem we face today [indicating] is how we can increase our meat, milk, wool, leather production, and keep the same pace that our population increase is showing.

Incidentally, I would add this as an aside: every time I have asked the Census Bureau for an estimate as to population, and I ask

them every year and they always give it to me willingly, and then 12 months later check with them the population has always grown faster than they said it would. That never fails. Their estimates are conservative.

Judging by that, then, I would expect in 1960 this 169 million might actually be 172 or 174 or 175 million.

I would like to take up just briefly the different items that we have here. We don't want to impose too much on your time.

Mr. WHITTEN. We are glad to hear from you.

Dr. SIMMS. We will run over them rapidly and then if you have questions to ask or points you want brought out, we would, of course, be very glad to go more in detail.

ANIMAL RESEARCH

The first items in our budget are those concerned with our research in animal husbandry; that is, research with the breeding, feeding, and management of livestock. In this budget we ask for the same amounts that we have this fiscal year. We are not requesting increases. We are expecting and hoping to go full speed ahead with the projects that are under way today.

These are itemized, so I don't know that it would be necessary for us to take them up one by one. We are working, of course, with all the major types of livestock, from the breeding and from the feeding angle. As I have already said, we are doing this for the purpose of increasing available supplies of food for our people.

We think that some parts of this research can pay very big dividends, and consequently we are concentrating on those particular projects. One of the big things we need in the next several years in livestock production is increased usage of roughages in the production of beef and lamb. We know that under better management we can produce more feed per acre in the way of grasses and hays, and with that increase we are fully expecting to learn to utilize them better and to get more beef and more mutton, from grass and hay, than we have in the past.

ANIMAL-DISEASE CONTROL AND ERADICATION

Our research with animal diseases is, as you know, handled by two of our divisions: Pathology and Zoology. In Pathology, we studied the diseases which are caused by bacteria, viruses, the poisonous-plant diseases, and the different poisons. We have an item under the animal-disease work in which we are asking for an increase: Hog cholera. We discussed this with you briefly last year. We stated at that time we might ask for a deficiency appropriation to pursue this somewhat more vigorously. We did not ask for that deficiency, but we are coming at this time with a request for an increase.

As to background on that, in 1949 we had unusual losses from hog cholera in the Corn Belt. We have some losses from the disease every year in spite of the fact that a fairly large percentage of our hogs are vaccinated. In this 1949 outbreak many vaccinated hogs died. We found on examination that the serum used in vaccinating these hogs was satisfactory, but that the virus that was used with the serum was different from the virus which is ordinarily employed for this purpose. We call it a variant virus. We did what work we

could with it. We hoped it would not appear again in 1950, but in spite of our efforts it did appear. We didn't have quite such heavy losses in 1950 as we had had in 1949. We were more alert to it. We found it more quickly when it showed up, and we immediately stopped the use of those particular lots of virus that were being used in the trouble spots. We feel very strongly, though, that we must attack hog cholera more vigorously than we have for the past several years.

We have had many requests, not only from the owners of livestock but from the serum producers themselves, for additional help in solving this problem. That is the one item in our animal-disease research for which we are asking additional funds.

We are carrying on the other work at about the same speed and same intensity, changing a little bit the emphasis to the types of animals that are most important, or to the diseases that are most important.

We are hoping that we can enlarge the amount of work that is being done with the X-disease of cattle, not through our putting in more funds, but through the States which are associated with us in this work adding to their funds. They are doing that to some extent.

The disease control and eradication programs again are on the same basis that they were last year. We still maintain our quarantines at the border to prevent the introduction of disease. We still carry on our inspections at public stockyards to detect diseases if they are introduced and get into our livestock. We carry on our cooperative programs for the eradication of such diseases as brucellosis and tuberculosis. We still maintain inspection and supervision of the production of such products as hog-cholera serum and virus, brucella vaccines, and so forth. That work is carried on more or less in the same way from year to year. We are not asking for increases in those items.

Our next item is "Meat inspection."

Mr. WHITTEN. Before you get to that, Doctor——

Dr. SIMMS. I was just going to say, if there are questions——

UTILIZATION OF PERSONNEL IN PRESENT EMERGENCY

Mr. WHITTEN. I have read in your justifications the high lights of the developments that you have had this year and the knowledge you have gained. It is very, very interesting.

We will insert the material on pages 149 through 178 at this point in the record.

(The material referred to is as follows:)

STATUS OF PROGRAM

ANIMAL RESEARCH

ANIMAL HUSBANDRY INVESTIGATIONS

Current activities include research directed toward more efficient breeding, feeding, and management of poultry, fur animals and all livestock, except dairy cattle. Activities also include research on factors affecting the production of high quality products and their processing and preservation.

There are on American farms approximately 41 million cattle raised primarily for meat, 10 million dual-purpose cattle, 58 million hogs, 30 million sheep, 500 million chickens, 500,000 bur-bearing animals, 7 million horses and mules, and 2

million rabbits. These animals are producing barely enough meat to satisfy our present need. An increase in volume and efficiency of meat production is an urgent need. Through research in breeding, feeding, and management, it is possible to raise present levels of production and improve the quality of animal products.

Examples of recent progress

(1) The effect of inbreeding upon performance in swine is one of average decline with considerable variation between breeding strains. However, it is still the most valuable tool available to the breeder for further improvement in the breeding qualities of his herd. Experiments show that an increase in inbreeding is in general accompanied by small litter size, lighter weights, and smaller average daily gain from weaning to 225 pounds live weight. These declines are the same regardless of whether a given degree of inbreeding is attained slowly or quickly. The crossing of selected inbred lines more than fully restores the losses and is the only known method of improving inherent production ability with any degree of certainty.

(2) Beltsville strains of hogs continue to show improved meat yield. The inbred Landrace X Chester White and Landrace X Poland China strains of improved meat-type hogs showed a distinct improvement in yield of preferred cuts over that shown last year. These lines produced an average of 49.7 percent and 49.5 percent, respectively, of original line slaughter weight in total weight of hams, loins, bacon, picnic shoulders and shoulder butts, as compared with 48.9 percent for each line a year ago. With crosses between the various inbred lines, there was a general tendency toward an increase in length of carcass, increases in thickness of backfat and dressing percentage, and a slight decrease in percent yield of preferred cuts resulting from crossing the lines.

(3) Dressing percentage of hogs is not entirely dependent on fatness. Hogs may combine high dressing percentage and high meat yield. There is generally a strong correlation between fatness and dressing percentage. However, the Landrace X Chester White and the Landrace X Poland China line in Beltsville show a very favorable combination of high dressing percentage and high yield of preferred cuts, which will increase their usefulness in swine breeding improvement.

(4) Microorganisms in meat were found to increase, rather than decrease, during freezer storage. Athough commonly believed that freezing decreases the number of microorganisms in food, research conducted during the year with frozen pork demonstrated that the total number of bacteria present is actually increased during freezer storage. Such increases occurred in meat stored at both 0° F. and 25° F., but was most marked in samples well protected from desiccation and stored at the latter temperature.

(5) Selection has improved economically important characters in range Rambouillet sheep at the Western Sheep Breeding Laboratory, Dubois, Idaho. Selective mating during the past 10 years has significantly increased staple length of wool, freedom from wool blindness and has improved mutton type. Over 85 percent of the expected genetic progress came from the selection of sires in a two-year period.

(6) *Economic traits of Rambouillet rams were found to be significantly related.* At Dubois, Idaho, correlations determined among economically important yearling and 2-year-old Rambouillet ram traits have been used to develop a selection index for breeding rams. Highest relationships between traits in these rams were found to be those between clean-wool fleece weight and grease-wool fleece weight and between condition of flesh and mutton type. Grease-wool fleece weight and clean-wool fleece weight were significantly correlated with staple length of wool, body weight, mutton type, condition of flesh, and skin folds at the neck. Except for the latter, all were positive in the sense that excellence in one was associated with excellence in the other. The correlation of staple length of wool with clean-wool fleece weight was higher than with grease-wool fleece weight, but body weight, mutton type, condition of flesh, and skin folds had higher correlation with grease-wool fleece weight than with clean-wool fleece weight. It is necessary to take into account such relationships among the various economically important traits in order to select effectively for the improvement of more than one trait at the same time.

(7) *Age of Navajo ewes is an important factor in their lamb production.* In studies at the Southwestern Range and Sheep Breeding Laboratory, Fort Wingate, N. Mex., it has been shown that a high level of lifetime lamb production can be attained by selecting breeding ewes for lamb-producing ability at an early age. In Navajo sheep, lifetime lamb production is of great importance because of the severe climatic conditions where they range.

(8) Genetic selection of Karakul sheep for improvement of lambskin fur. Extensive studies at Beltsville show clearly that heritability makes possible the genetic selection of Karakul breeding sheep for the improved production of lambskin fur having small and medium-size curl. The smaller curl sizes are generally preferred in the Karakul lambskin fur trade. The results indicate that the average curl size produced in a Karakul breeding flock can be shifted favorably by a few generations of selective breeding for this characteristic.

(9) Distillers' byproducts produced from fungal amylase converted mashes compare well with those produced by the conventional malt process. The feeding qualities of corn distillers' dried byproducts made by a newly developed process employing fungal amylase as the enzymatic converter to replace barley malt have been found to be almost if not equal to that of conventionally produced distillers' dried grains and solubles. These feeding tests were conducted at Beltsville on materials supplied through the cooperation of the Production and Marketing Administration and the Bureau of Agricultural and Industrial Chemistry.

(10) Weaning weight of beef calves related to important production factors. Production studies with beef cattle at Miles City indicate that there is some direct relationship between the birth weight of a calf and its gain from birth to weaning. The repeatability estimate of cow production for weight of calves at weaning (the relationship of the weaning weight of an individual cow's calves year after year) was 0.42, only moderately high.

(11) Weaning weight of beef calves influenced by age of dam. At Miles City, Mont., 6-year-old range cows produced calves with greatest average weaning weight. After 6 years of age calf weight decreased gradually until dams were 10 years old. Thereafter the decrease was very rapid. Birth weight, size, and age of dam are important factors to be considered in selection for greater weaning weight of calf.

(12) Weaning weight of beef calves influenced by seasonal rainfall. At Miles City, Mont., weaning weight of calves decreased an average of 17 pounds for each inch of rainfall below 7½ inches per growing season but increased only one-half pound for each inch over 7½, reflecting the influence of rainfall on forage and other factors.

(13) Brahman-sired calves heaviest at weaning in Brooksville test. Calves sired by a Brahman bull out of cows of mixed breeding were significantly heavier at weaning than either those sired by a Hereford bull or by a Red Poll bull. The former averaged 334 pounds compared to 288 pounds for the Red Poll-sired calves and 296 for the Hereford-sired calves. The results indicate strongly the advantage of having some Brahman breeding in cattle raised for commercial beef production under Florida conditions.

(14) Self-feeding a mixture of salt and cottonseed meal on the range is practical and reduces labor costs. For calves the mixture was 1 part salt to 4 parts cottonseed meal and for steers 1 part salt to 2 parts meal. The calves consumed 2 pounds cottonseed meal per herd daily and the steers 1 pound. Gains were nearly equal to those made on hand feeding similar amounts and no ill effects resulted from the high salt consumption.

(15) Reseeded pastures on abandoned cropland produced more beef than did the native range at the Woodward Station. In tests conducted since 1937, the station's reseeded pastures on abandoned farm land of questionable value for crop production have supported more cattle and produced two to four times as much beef per acre as has well-managed native range. Pasture grasses used for reseeding have included sand love grass, weeping love grass, buffalo grass, a shortgrass mixture of blue grama, side-oats grama, Western wheatgrass, and Texas bluegrass, and a tall grass mixture of switchgrass, sand bluestem, little bluestem, and Indian grass.

(16) Grain feeding of fattening cattle on winter pasture in Georgia improved both gains and finish. The feeding of 6 parts ground snapped corn and 1 part cottonseed meal to steers grazing on excellent winter pasture of oats and crimson clover raised average daily gains to 3.45 pounds compared to 3.05 pounds per day produced by similar steers on pasture alone. The grain-fed steers graded Good as slaughter animals at the end of the 105-day test compared to Low Good for the steers fattened on pasture alone and brought $1.32 more per hundredweight.

(17) New pasture grasses are giving very promising results for winter maintenance of beef cattle in Florida. In a winter grazing test at the Brooksville station, in cooperation with the Bureau of Plant Industry, Soils, and Agricultural Engineering, the Soil Conservation Service, and the Florida Agricultural Experiment Station, 2-year old heifers made 50 pounds gain per head during the 4-month

winter grazing season on an Argentine Bahia pasture originally seeded in rows, with some common Bermuda, weeds, and other grass growth having volunteered between the rows. Similar heifers almost maintained their weight on a pasture of Pensacola Bahia for the 4-month winter season. Neither group received any supplemental feed except minerals. The results indicate the possibility of developing improved pastures for beef-cattle production under Florida conditions.

(18) Meat production of cattle directly influenced by breeding. Recent meat studies conducted at Beltsville on both beef and dual-purpose cattle produced there and on beef cattle produced at Miles City show clearly that both the quantity and quality of meat produced are directly influenced by the breeding of the animals. Results of experiments with steer progeny of different sires showed significant and material differences in important carcass and meat characteristics, such as dressing percentage, commercial grade fatness, and yield of preferred cuts, including the round, loin end, short loin, and rib muscling, which could be attributed only to the influence of the sires themslves.

(19) A new variety of Cornish chicken, called Silver Cornish, is being developed at Beltsville. Developed by crossing Brooksville Columbians (a variety itself developed at the Beltsville and Brooksville stations from Rhode Island Red, White Wyandotte, and Light Sussex stock) with Dark Cornish, the new variety is designed to meet the need of the commercial broiler industry for chickens that grow and feather rapidly, lay a large number of eggs of high fertility and hatchability, and have broad breasts, large drumsticks, and white feathers, or at least light under-color. To date, the Silver Cornish compare very favorably with New Hampshires, Dark Cornish, and Dark Cornish X New Hampshire crossbreds with respect to growth, feathering, breast type, leg fleshing, and egg production.

(20) The growth-stimulating effect of the antibiotic, aureomycin, on chicks was confirmed at Beltsville during the year. The fact that the effect of a combination of vitamin B_{12} and an organic arsenic compound, 3-nitro, 4-hydroxphenylarsonic acid, in stimulating more rapid chick growth equaled that of a combination of B_{12} and aureomycin was also established. Although this suggested that the arsenic compound and aureomycin performed the same function when fed with B_{12}, the effect of all three in promoting chick growth was found to be greater than the effect of any two of them, indicating that all three have different functions. It seems likely that aureomycin and the arsenic compound stimulate growth indirectly due to their effects on intestinal micro-organisms.

(21) Newcastle disease in laying flocks has a very unfavorable temporary effect upon egg production, but further experiments at Beltsville show that the disease produces long-lasting effects on the quality of the eggs of some hens which may be a more serious problem than the temporary effect on egg production itself. The disease appeared to have a 12-week effect on egg production, 6 weeks to the lowest level and 6 weeks before the normal production for that time of year was again attained. This temporary decrease was sufficient to affect average annual production. From the egg quality standpoint, eggs produced by a group of White Leghorn pullets that had recovered from the disease during April were significantly poorer in candling grades and albumen scores from June to November than were those of comparable pullets that had never had the disease. Average weight of the eggs from the recovered pullets was 22.7 ounces per dozen and from the uninfected pullets was 24 ounces.

(22) A new effect upon poultry of the so-called "germicidal" ultraviolet light has been discovered and studied at Beltsville. In five different experiments, each of 6 to 10 months duration, hens kept in the absence of sunlight but exposed continuously to light having a wavelength of 2,538 anstrom units laid from 10 to 19 percent more eggs than did hens kept under the same conditions but without ultraviolet light. Previously the only known effect of ultraviolet light on poultry was the production of vitamin D. The new effect, however, was observed in chickens which obtained ample vitamin D from their diet and hence did not have to depend upon ultraviolet light for it.

(23) Better chicks and poults are available to the Nation's farmers as a result of the operation of the national poultry improvement plan and the national turkey improvement plan. A major portion of the hatchery industry of the United States, representing 66 percent of the total egg capacity of the country, is voluntarily enrolled in the national poultry improvement plan. The breeding phase of this plan has contributed materially to the increase of 17 eggs in the average rate of lay during the past 5 years. The status of work under the national poultry and turkey improvement plans is shown in the following table:

Item	1948 [1]	1949 [1]	1950
NATIONAL POULTRY IMPROVEMENT PLAN			
States	47	47	47
Hatcheries	4,354	4,438	4,637
Egg capacity of hatcheries	328,512,849	346,294,000	367,253,150
Hatchery-supply flocks	97,378	93,874	106,597
Birds in hatchery-supply flocks	27,290,523	27,409,109	34,700,337
Average percentage of reactors to pullorum test (first test)	1.18	.86	.72
U. S. R. O. P. (United States Record of Performance) breeders	295	286	[2]
U. S. R. O. P. flocks	403	397	[2]
Birds entered in trap-nest flocks	197,497	198,866	[2]
U. S. R. O. P. breeding pens	[2]	4,712	[2]
Females in U. S. R. O. P. breeding pens	63,839	70,848	[2]
NATIONAL TURKEY IMPROVEMENT PLAN			
States	45	45	46
Hatcheries	674	768	815
Flocks	2,117	3,224	3,922
Birds	1,095,938	1,849,907	2,132,644
U. S. R. O. P. flocks	75	70	63
Single-tom matings	742	767	730
Candidates trapped	9,527	9,538	8,113
Average percentage of reactors to pullorum test (first test)	.75	.51	.39

[1] Data on U. S. R. O. P. participation based on completed reports whereas data for previous years includes breeders who discontinued participation during the year.
[2] Information not available at time of reporting.

(24) Protein requirements of adult foxes for summer maintenance and fur growth were determined at the United States fur animal experiment station, Saratoga, N. Y. A protein level of 10 percent, dry basis, proved entirely inadequate for body maintenance. A 13 percent protein level produced similar deficiency symptoms, although less severe than at the 10 percent level. Foxes fed protein at a 16 percent level were maintained satisfactorily except that they failed to grow normal, finished pelts. Adult foxes of both sexes fed diets containing protein at levels of 19, 22, 25, and 28 percent were apparently normal in all respects, including the pelts produced.

(25) Because of the fundamental and field research (over a 2-year period) on the use of hormones in an effort to increase the breeding efficiency of mink, the Bureau was able to give specific information as to the effect of feeding poultry waste from "caponettes." Caponettes are birds treated with the synthetic drug diethylstilbestrol to chemically castrate young roosters and thus improve the market quality of the meat. Experiments conducted by the Bureau have shown, however, that poultry waste devoid of heads from caponettes is a suitable and cheaper feed and may be used to replace the higher priced horse meat in the summer and fall mink ration.

INVESTIGATIONS OF INFECTIOUS AND NONINFECTIOUS DISEASES OF DOMESTIC ANIMALS

Work in progress is directed toward diagnosis, cause, prevention, treatment, and control of communicable diseases caused by bacteria, fungi, and viruses, such as brucellosis, tuberculosis, mastitis, hog cholera, swine erysipelas, fowl typhoid, and Newcastle and pullorum disease of poultry; noninfectious diseases and pathological conditions caused by metabolic disturbances, tumors, unhygienic practices, etc., and stock poisoning by plants. These diseases and conditions are responsible for annual losses in excess of $240,000,000 to livestock and poultry producers in this country. This research is contributing to the control of diseases of livestock and thereby improving efficiency of production.

Examples of recent progress

(1) Increases in storage temperature of brucellosis strain 19 vaccine decreased the viability of both reconstituted desiccated vaccines and the Bureau's liquid vaccine. The retention of acceptable viability by vaccines appeared to be related to the stabilizing diluents employed. Vaccines containing a skim milk stabilizer had highest viabilities.

(2) Artificial insemination directly into the uterus of 12 cows using semen from a brucellosis infected bull produced infection in 8 of the animals, showing that this method constitutes a positive danger. Other methods of introducing semen into the cervix and vagina are being studied in this experiment.

(3) Aureomycin gave evidence of temporary relief but failed to eliminate Brucella abortus permanently from the udders of affected cows. Also test animals

varied considerably in their ability to tolerate the drug. This indicated that the treatment is impractical under present circumstances since the drug is costly.

(4) In experiments with Brucella-infected sows about 25 percent of their suckling pigs showed evidence of infection at time of weaning or 2 weeks thereafter; the earliest age of infection was 6 weeks. Normal weanling gilts acquired Brucella suis infection after 3 months' exposure to infected weanling pigs. Normal weanling boars failed to contract the infection from contact with infected pigs of the same age. Brucella suis could not be isolated from any of the pigs which failed to show evidence of infection at time of weaning.

(5) During the height of the 1949 and 1950 serum-virus hog cholera vaccination seasons in some of the Corn Belt States many hogs sickened following vaccination and death losses were high. Investigations carried out in the field and the laboratories at Ames, Iowa, Washington, and Beltsville, revealed the cause to be a variant hog cholera virus against which the regular serum failed to protect. This was the first time a variant hog cholera virus had been positively identified in this country or abroad. It was also found that increased dosage of serum provided some protection. "All licensed biological houses are testing their current viruses for the presence of the variant form, using means developed in Bureau studies.

(6) In swine erysipelas investigations, it has been found that an exposure method consisting of the introduction of virulent culture into a linear scarification of the skin of pigs provides a very promising method of determining whether an animal is immune to the infection. Heretofore, adequate means of testing the efficacy of a new vaccine in susceptible pigs has not been available. Work on the perfection of inactivated culture vaccines will be greatly enhanced by application of this method of exposure should it continue to prove satisfactory.

(7) Newcastle disease live-virus vaccines prepared by inoculating embryonated eggs with specially selected strains of virus have been found to give fairly good results when administered to chicks 4 or 5 weeks old or older. A new vaccine has been made available which may be used on chicks as young as 1 day but such chicks cannot be shipped by mail since they develop a mild form of disease and are classed as spreaders of infection. Inactivated virus vaccines which produce lasting immunity have not as yet been prepared although attempts to do so have been made. Virus inactivated by infrared irradiation in the presence of methylene blue was found to retain none of its antigenic properties.

(8) Difficulties due to the variant type of pullorum disease continued. During the past year flocks have been encountered in which a high percentage of birds reacted to the variant tube antigens with few reactors to the standard antigen, but examination of the reactors failed to reveal either variant or standard Salmonella pullorum, the cause of the disease. Coliform organisms were found, however, and in further tests birds sensitized with these organisms gave strong reactions to coliform and variant tube antigens but not to standard antigens. Further work is needed to develop antigens that will satisfactorily detect all types of pullorum disease and yet not give false reactions.

(9) The acute and chronic toxicity to livestock of a considerable number of the important newer insecticides when applied externally as sprays or dips and when ingested in treated forage has been determined. An important new surgical technique has been developed for obtaining samples of fat from the living animal for analysis for insecticide residues. Information on the clinical symptoms and the pathology of poisoning have been obtained and a motion picture of affected animals prepared for use of veterinarians.

(10) The best means of combating steatitis (yellowfat or nonsuppurative panniculitis) in mink is to change the ration so that it contains a large amount of fresh, unfrozen horse meat and to add 10 to 15 percent fresh liver. Limiting the food intake of those visibly affected is also a good procedure.

INVESTIGATIONS OF PARISITES AND PARASITIC DISEASES OF DOMESTIC ANIMALS

Current research includes work to develop methods of coping with internal and external parasites and the diseases they cause, such as coccidiosis of livestock and poultry, trichinosis of swine, stomach, intestinal, and lungworms of farm animals, liver flukes of ruminants, cattle grubs, and mange mites of livestock. Parasites are estimated conservatively to cause an annual loss in excess of $200,000,000. This research is contributing to the control of parasites and parasitic diseases and thereby improving the efficiency of livestock production.

Examples of recent progress:

(1) Further improvement has been made in the complement-fixation test for detecting when cattle are carriers of anaplasmosis. Workers from a number of States have been given laboratory instructions in the practical application of this

test. Antigen, one of the principal components used in the test, has been supplied to interested State agencies. Particular attention is being devoted to methods of producing a stable and standard antigen.

(2) Treatment of unweaned beef calves on Gulf Coast pastures with phenothiazine reduced their parasite load materially. Stomach worms, hookworms, and nodular worms, which are among the most injurious of the internal parasites of calves, were reduced by nearly 70 percent.

(3) Lindane proved effective in destroying lice on cattle and was well tolerated even by calves. Cattle owners who objected to the use of technical benzene hexachloride because of its offensive odor were satisfied to use lindane, which appears to be both safe and effective.

(4) Studies on cattle grub control in the Midwest and Southwest showed that the greatest reduction of these pests occurred where the work was done systematically year after year. An inadequate number of treatments during the grub season, or the introduction of untreated cattle into areas where treatment is in progress, may nullify in part the effort made to keep these pests under control.

(5) Mortality of dairy calves has been sharply reduced in areas in the South by the use of a portable pen devised by parasitologists of the United States Regional Animal Disease Research Laboratory, Auburn, Ala. Each pen houses a single calf and is moved each week uphill to a new site. Coccidiosis, worm parasites, diarrhea, and other diseases are evaded by this practice.

(6) A county-wide program of cattle grub control was initiated in the State of Washington through the cooperation of the owers of beef and dairy cattle. The vast majority of the grubs present in the animals were destroyed by spraying, dipping, washing, or dusting with rotenone-containing materials.

(7) Sheep in the Southwest were found to acquire the fringed tapeworm, a parasite of the liver, pancreas, and intestine, on the range. Tapeworm-free lambs placed in confinement on contaminated range became infested with the fringed tapeworm, which demonstrates that these parasites can be so acquired.

(8) Fluky beef and sheep livers must be frozen for at least 10 days at a temperature not higher than 15° F., or for a period of not less than 5 days at a temperature not higher than 10° F. in order to kill the fluke eggs. Unless this is done the infected livers used as fish food may disseminate liver flukes to cattle, sheep, and other susceptible host animals through overflow of water at hatcheries into streams and pasture land.

(9) Larvae of intestinal wireworms penetrate deeply into the intestinal wall of lambs and destroy its delicate lining. The irritation so produced leads to scouring, emaciation and, in extreme cases, death.

(10) A new drug, known as Caricide, when given by mouth, was found in preliminary trials to cure filarial dermatosis, a debilitating skin and blood disease of sheep. The curative dosages, given over a period of 15 days, were well tolerated, and recovery took place about a week or so after completion of treatment.

(11) The curative value of phenothiazine, a drug used to expel stomach worms, nodular worms, and other damaging parasites from cattle, sheep, and goats, was not adversely affected when the drug was exposed to the air. Inasmuch as this drug is mixed with salt and placed before sheep to be eaten on a free-choice basis, this finding is of especial value to sheepmen throughout the country who have adopted the free-choice treatment.

(12) Scabies was eliminated from two bands of sheep, numbering 4,000 head, following a single dipping in dilute benzene hexachloride having 0.06 percent gamma isomer content. Post dipping inspections, made up to 5 months in one band and 9 months in the other revealed no live mites. These trials were made under range conditions.

(13) Treating range sheep before or after shearing affords maximum relief from keds or ticks, and serves to protect the lambs from infestation or free them from it shortly after the pests have been acquired. Sheep keds or ticks were found to fluctuate sharply in numbers on range sheep during the year. The ticks reached the lowest level after shearing and increased in numbers, gradually reaching their peak in the spring.

(14) About 15 percent of over 600 garbage-fed hogs and only 2 percent of approximately similar numbers of farm-raised hogs were found to be infected with trichinae, parasites that cause trichinosis in man. The average numbers of trichinae found in individual samples was smaller than those found in a similar survey prior to 1940.

(15) Pigs infected with whipworms, parasites of the large intestine, made weight gains only about one-third as large as those of comparable control pigs. Pigs heavily infected with these parasites died. Whipworms in varying numbers occur in a high percentage of pigs the country over.

(16) The decline of nearly 50 percent since 1947 in the incidence of hog mange in a midwestern area devoted to extensive swine production was traced to the substitution of benzene hexachloride and chlordane for the older, less effective treatments. These two chemicals were found by experiments conducted during the year to be highly destructive to mange mites.

(17) Chickens raised for the sixth year in succession on mash medicated with phenothiazine harbored on the average only about one cecal worm each, and none of the birds so raised died from blackhead. Comparable chickens, raised on regular mash, harbored about 10 cecal worms each, and 25 percent of them died of blackhead. This shows that a regime for the control of cecal worms should ultimately eliminate blackhead.

(18) Wild geese were found to harbor gizzard worms, cecal worms, and intestinal and kidney coccidia, transmissible to domestic geese. These and other parasites caused Canada geese at the Pea Island Wild Life Refuge in North Carolina to weaken and die. This shows that migratory birds can introduce disease and parasites which effect poultry.

(19) The low incidence of coccidiosis (7.5 percent) in rabbits in southern California rabbitries resulted mostly from using self-cleaning hutch floors, and feeding and watering devices which tend to minimize contamination with the animal's droppings. Through the use of these control measures coccidiosis in rabbits can be reduced to negligible levels.

(20) Ear mange, a common disease of rabbits, was cured by instilling into the ears a 0.25 to 0.5 percent solution of lindane in oil. In California, where rabbit raising has attained the status of a sizable industry, about 11 percent of the mature rabbits were found to be affected with ear mange, a disease which can be controlled by the treatment given.

(21) Results of preliminary tests showed that ammonium hydroxide in a 5 or 10-percent concentration was the most promising of several fumigants tested for the destruction of coccidia of poultry. The effectiveness of the chemical in destroying coccidia was determined by observing the severity of coccidiosis produced in birds that were fed the fumigated parasites, which had succumbed to the treatment.

Animal-Disease Control and Eradication

Eradicating tuberculosis and bang's disease

Current activities

An extensive cooperative field program is conducted to eradicate tuberculosis and brucellosis (Bang's disease). Work is carried on in all States; tuberculosis eradication is also carried on in Hawaii, Puerto Rico, and the Virgin Islands, and brucellosis (Bang's disease) eradication in Puerto Rico. Indemnities are paid for cattle under certain legal and administrative restrictions.

Examples of recent progress

(1) The low incidence of tuberculosis in cattle was maintained at 0.19 percent during the past fiscal year. Cattle tested numbered 9,439,811 as compared with 8,737,501 for the previous year; 17,733 reactors were removed from the 539,799 herds tested.

(2) The uniform program for Nation-wide brucellosis eradication has been adopted by 43 States and Puerto Rico, where existing laws and conditions would permit early use of recommended practices. A permanent national brucellosis committee representing all interested groups has been organized. Cooperative conferences were held with all interested groups in regional areas by the Extension Service and this Bureau, with the exception of the Western States, in previous fiscal years. A conference in the Northwestern States was held in September 1950.

(3) The incidence of brucellosis of cattle was further reduced from 4.0 to 3.5 percent during the past fiscal year. Testing was conducted in 618,801 herds containing 5,974,721 cattle, with 208,298 reactors being disclosed. Over 60,000 reactors were held in calf vaccinated herds for gradual disposal by slaughter without payment of indemnity.

(4) Four hundred thirty-two counties located in 21 States, Puerto Rico, and the District of Columbia were listed as modified certified brucellosis-free areas. North Carolina, New Hampshire, and Maine are the only States in which all counties have qualified for that status, although some others are approaching it.

(5) Calf vaccination with strain 19 vaccine increased 31.3 percent over the previous year: 2,065,063 calves between 4 and 8 months of age were officially vaccinated, bringing the total vaccinations since the inauguration of this practice in 1941 to 7,655,357.

(6) Funds provided by cooperating States and counties in the eradication of tuberculosis and brucellosis for the fiscal years 1950 and 1951 are approximately as follows:

	Tuberculosis		Brucellosis	
	1950	1951	1950	1951
Operating funds	$4,101,889	$4,539,280	$5,243,824	$6,019,507
Indemnity payments	1,212,492	1,313,467	2,490,289	1,929,821
Total	5,314,381	5,852,747	7,734,113	7,949,328

(7) The following tables show the average State and Federal indemnity payments and other data pertaining to the programs for control and eradication of tuberculosis and brucellosis.

Record of testing for tuberculosis and brucellosis fiscal year 1950

State	Tuberculosis		Brucellosis			
	Cattle tested	Percent reactors	Cattle tested	Percent reactors	Reactors held [1]	Vaccinated
Alabama	46,474	0.07	57,289	3.7	191	73,538
Arizona	26,704	.04	29,369	3.8	472	10,624
Arkansas	17,222	.02	60,034	6.4	0	67,387
California	885,398	.41	0	0	0	248,027
Colorado	24,927	.01	81,884	3.8	2,155	57,249
Connecticut	173,221	.17	27,305	1.8	0	18,756
Delaware	46,390	.08	14,575	1.2	17	6,807
District of Columbia	189	.0	189	0	0	0
Florida	101,436	.04	98,403	7.0	13	17,173
Georgia	33,922	.25	130,393	4.2	0	4,389
Idaho	30,527	.05	41,742	3.0	293	54,238
Illinois	567,867	.19	265,501	4.3	6,631	149,546
Indiana	192,108	.21	178,837	6.0	0	14,122
Iowa	468,514	.35	79,394	6.0	32	32,567
Kansas	368,732	.12	82,315	6.0	4	1,466
Kentucky	32,400	.19	50,356	4.3	832	8,592
Louisiana	9,180	.13	50,098	9.7	42	41,176
Maine	64,187	.09	181,606	1.4	1,453	6,966
Maryland	221,546	.12	74,797	1.4	318	33,610
Massachusetts	199,626	.19	168	0	0	8,002
Michigan	175,763	.29	204,971	3.0	5,213	24,144
Minnesota	407,020	.06	519,190	3.8	3,788	43,936
Mississippi	57,851	.06	122,511	3.4	8	50,484
Missouri	139,916	.04	128,198	7.0	0	14,589
Montana	16,924	.03	38,938	3.4	444	48,126
Nebraska	120,221	.10	27,751	7.3	0	6,690
Nevada	4,623	.0	11,295	3.3	2	5,231
New Hampshire	106,587	.01	154,012	1.0	68	10,491
New Jersey	228,803	.1	92,286	.8	334	18,025
New Mexico	15,716	.04	41,686	.9	9	9,797
New York	884,218	.29	327,525	5.8	19,067	217,377
North Carolina	86,553	.02	219,276	.7	0	1,537
North Dakota	31,897	.13	211,305	3.3	997	20,743
Ohio	495,737	.19	182,437	3.2	0	73,418
Oklahoma	50,205	.16	138,107	5.6	362	40,014
Oregon	202,493	.05	261,688	1.4	0	26,585
Pennsylvania	518,865	.25	432,670	1.9	374	78,892
Rhode Island	28,835	.23	4,345	.3	0	1,055
South Carolina	35,789	.11	65,826	1.5	178	1,184
South Dakota	52,547	.2	12,658	4.8	178	5,429
Tennessee	35,676	.23	64,957	3.4	581	78,002
Texas	174,038	.06	103,412	4.8	0	4,225
Utah	54,845	.72	40,433	4.4	1,746	10,932
Vermont	231,940	.26	70,471	5.1	3,626	41,268
Virginia	146,473	.04	128,352	2.5	488	34,418
Washington	65,838	.15	166,997	2.8	849	53,087
West Virginia	36,067	.05	115,597	.9	0	5,107
Wisconsin	1,383,994	.1	451,839	3.7	8,757	255,186
Wyoming	19,391	.2	30,376	3.3	8	21,456
Hawaii	13,296	.19	0	0	0	0
Puerto Rico	107,120	.03	101,357	2.0	1,156	9,400
Total	9,439,811	.19	5,974,721	3.5	60,686	2,065,063

[1] Reactors held, usually in calf vaccination herds, for deferred slaughter when no longer of value for breeding or production purposes. No indemnity is paid on this class of reactor.

Statement of comparative testing, herds and cattle under supervision, average appraisal, salvage, and State and Federal indemnity in Bang's disease eradication work, fiscal years 1935 to 1950 inclusive

Fiscal year	Tests conducted		Reactors found	Percent infection	Under supervision		Averages during year			
	Herds	Cattle			Herds	Cattle	Appraisal	Salvage	State indemnity	Federal indemnity
1935	212,482	3,317,760	381,010	11.5	187,109	2,936,347	$56.86	[1] $19.87	$27.99	$24.29
1936	470,788	6,674,709	457,104	6.8	449,644	5,780,418	70.65	[2] 27.44	20.57	26.86
1937	630,917	8,021,167	397,864	5.0	719,452	7,877,612	70.67	[3] 27.94	19.25	26.45
1938	671,310	7,837,443	324,532	4.1	1,035,454	9,447,137	80.37	[4] 32.07	20.36	26.69
1939	724,613	7,591,398	219,165	2.9	1,372,410	11,111,643	97.17	[5] 33.97	26.09	20.00
1940	590,393	6,937,428	171,953	2.5	1,615,755	12,315,329	90.85	[6] 34.99	17.12	14.96
1941	677,544	7,465,254	182,075	2.4	1,883,914	13,932,693	93.28	[7] 37.68	17.19	15.19
1942	591,835	6,891,219	[8] 209,238	3.0	2,105,294	15,627,027	99.19	[9] 52.06	17.71	15.83
1943	392,636	5,185,228	[10] 197,329	3.8	2,199,535	16,616,522	128.03	[11] 64.87	18.63	16.77
1944	386,266	5,235,912	[12] 226,079	4.3	2,254,235	17,326,138	143.34	[11] 59.75	22.54	19.30
1945	395,236	5,213,458	[13] 243,050	4.7	2,307,585	17,545,638	139.35	[11] 56.63	22.14	19.25
1946	389,814	4,876,866	[14] 245,786	5.0	2,360,699	17,870,154	149.65	[11] 68.64	22.07	19.34
1947	454,789	5,133,814	[15] 232,293	4.5	2,249,118	17,589,018	178.25	[11] 82.93	23.44	20.64
1948	533,936	5,434,792	[16] 232,199	4.3	2,291,760	18,128,318	203.98	[17] 107.38	24.44	21.17
1949	563,501	5,671,347	[18] 226,691	4.0	2,165,364	17,126,480	256.46	[19] 132.11	25.67	23.41
1950	618,801	5,974,721	[20] 208,298	3.5	2,299,556	18,527,624	237.68	[21] 114.21	25.16	22.75

[1] State indemnity paid in 1 State.
[2] State indemnity paid in 2 States.
[3] State indemnity paid in 5 States.
[4] State indemnity paid in 10 States.
[5] Beginning May 1, 1939, Federal indemnity payment limited to not exceed total amount paid by cooperating State agencies. State indemnity paid in 28 States.
[6] Indemnities paid in 36 States.
[7] Indemnities paid in 40 States.
[8] Includes 39,586 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[9] Indemnities paid in 41 States.
[10] Includes 53,558 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[11] Indemnities paid in 40 States and Puerto Rico.
[12] Includes 75,499 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[13] Includes 86,738 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[14] Includes 74,922 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[15] Includes 68,977 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[16] Includes 68,653 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[17] Indemnities paid in 39 States and Puerto Rico.
[18] Includes 66,351 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[19] Indemnities paid in 37 States and Puerto Rico.
[20] Includes 60,636 reactors held in calfhood vaccinated herds for which Federal indemnity will not be paid.
[21] Indemnities paid in 31 States and Puerto Rico.

Statement of comparative testing, herds and cattle under supervision, modified accredited areas, average appraisal, salvage, and State and Federal indemnity in tuberculosis eradication work, fiscal years 1935 to 1950, inclusive

Fiscal year	Tests conducted		Reactors found	Percentage infection	Under supervision		Modified accredited areas [1]	Average during year			
	Herds	Cattle			Herds	Cattle		Appraisal	Salvage	State indemnity	Federal indemnity
1935	2,378,668	25,237,532	376,623	1.5	6,590,863	48,768,627	2,428	$57.55	$15.19	$15.87	$18.70
1936	1,944,624	22,918,038	165,496	.7	6,515,273	59,907,935	2,921	77.66	26.50	10.18	22.44
1937	961,109	13,750,308	94,104	.7	6,745,471	61,640,711	3,030	86.04	28.94	12.20	22.72
1938	1,007,586	14,108,871	89,359	.6	6,471,538	62,640,358	3,124	86.76	32.16	16.41	18.12
1939	750,806	11,186,805	60,338	.5	6,372,720	60,439,030	3,142	89.01	34.49	18.96	15.97
1940	819,408	12,222,318	56,343	.46	6,191,330	61,570,426	3,148	91.05	37.12	20.44	16.20
1941	777,435	12,229,499	40,702	.3	6,235,198	62,696,167	3,151	96.50	40.99	20.95	16.48
1942	681,504	10,983,086	28,008	.26	6,320,006	63,073,213	3,151	109.69	50.35	21.49	16.55
1943	563,413	9,308,936	17,167	.18	6,317,670	63,846,496	3,151	135.19	65.03	27.50	18.75
1944	524,927	8,894,466	18,338	.2	6,153,069	64,519,652	3,151	154.53	59.93	36.07	21.72
1945	484,749	8,105,480	19,534	.24	6,120,528	64,790,921	3,151	161.32	59.78	40.31	22.71
1946	505,296	8,454,463	19,464	.23	6,035,783	65,981,099	[2] 3,150	174.20	69.00	37.26	23.89
1947	515,517	8,312,919	16,666	.2	6,082,666	65,577,421	3,150	199.46	83.55	40.81	24.19
1948	523,924	8,294,423	15,943	.19	6,044,170	66,246,215	3,150	234.60	119.74	38.53	23.90
1949	536,162	8,737,501	17,007	.19	5,985,215	65,419,332	3,150	285.78	139.46	37.68	24.72
1950	539,799	9,439,811	17,733	.19	5,991,703	65,443,353	3,150	272.87	123.24	43.40	25.05

[1] Includes Puerto Rico and the Virgin Islands.
[2] Reduction is due to consolidation of 2 counties.

ERADICATING SCABIES

Current activities

Inspection and dipping for cattle and sheep scabies is carried on cooperatively in 28 States. Premises and other specified areas are quarantined as required. These skin diseases are highly contagious and if unchecked cause great financial losses in flesh, unthrifty condition, arrested growth, and at times death losses are heavy. In sheep there is also a marked decrease in the quantity and quality of wool produced.

Examples of recent progress

The dipping programs for eradication of sheep scabies have shown particularly good results in the past year in the States of Mississippi, Virginia, and West Virginia, and persistent efforts are being made to eradicate the infection completely in these States. Cooperative efforts have continued in other States on a lesser scale. Sheep cannot be grown profitably when affected with scabies. The rapid spread of this malady in farming areas emphasizes the need for prompt control measures.

In the State of Louisiana the most important sheep-growing area is now under Federal quarantine because of rather extensive existence of sheep scabies. Inasmuch as Louisiana has considerable out-of-State trade in lambs, the presence of scabies endangers sheep raising in other States. The State of Louisiana has recently appropriated funds for an intensive eradication program amd it is hoped that such a campaign can be undertaken there in the near future.

Cooperative eradication of cattle scabies continued throughout the fiscal year 1950 on a reduced level.

Scabies eradication in the past fiscal year is indicated by the following table:

	Sheep		Cattle	
	Fiscal year 1949	Fiscal year 1950	Fiscal year 1949	Fiscal year 1950
Field inspection	5,813,900	5,978,587	958,998	319,366
Dippings	373,993	291,190	4,815	2,801
Infected animals	19,955	49,484	1,454	945
Exposed animals	25,870	70,979	415	525

ERADICATING CATTLE TICKS

Current activities

The inspection and dipping for cattle-fever ticks is carried on in close cooperation with State and county authorities and cattle owners in Florida and in parts of Texas and California adjacent to the Mexican border. A systematic eradication program is also in progress in Puerto Rico. Originally over one-fourth of the country was under quarantine for tick fever. At present the disease in the United States is limited to areas adjacent to Mexico. The danger of reinfestation is constantly present due to our close proximity to tick-infested areas in Mexico and islands in the West Indies. Vigilance in dealing effectively with outbreaks that occur from time to time is of prime importance to the livestock industry of the South.

Examples of recent progress

(1) Bureau and cooperative employees supervised 5,881,120 inspections or dippings of cattle for fever ticks and 599,528 inspections or dippings of horses and mules. In Puerto Rico, where inspections and dippings of cattle are conducted, it was also necessary to treat sheep and goats on infested premises, which required 683,326 inspections or dippings.

(2) The systematic tick-eradication campaign in Florida has progressed satisfactorily and the quarantine has been lifted. Good cooperation was received from cattle owners and others interested. Inspections will be continued for some time to assure that the eradication campaign has been completely effective and that no further reinfestation occurs.

(3) In Texas, tick reinfestation from Mexico continues to be a constant source of danger to that State and adjacent areas. Several times during the past year fever ticks were introduced on stray and smuggled animals from this source. A narrow strip, approximately 500 miles, along the border from Del Rio to the Gulf

of Mexico is under Federal quarantine, and this area is regularly inspected by Bureau employees. It is expected reinfestations will continue to occur until some effective barrier can be placed along this line. All Mexican territory adjacent to the international boundary along the lower Rio Grande Valley is infested with fever ticks.

(4) In California, a new reinfestation of ticks occurred during November 1950 in San Diego County near the Mexican border. This outbreak necessitates dippings and inspections on the premises involved and adjoining areas.

CONTROL OF HOG CHOLERA AND RELATED SWINE DISEASES

Current activities

Assistance is given to swine growers and others in preventing or controlling outbreaks of hog cholera and related swine diseases. Efforts are made to secure the widest application of the best-known effective preventive and control measures in order to reduce swine losses from disease.

Examples of recent progress

(1) The control of hog cholera and related swine diseases is now actively carried on in the principal hog-raising States in the Corn Belt where the Nation's swine industry is largely concentrated. Hog cholera has been held in check in most of the Middle Western States with comparatively few losses reported except for a serious break in the Corn Belt area in which a considerable number of hogs died following simultaneous treatment. These postvaccination losses were attributed to the development of a variant virus. Assistance was rendered in investigating this outbreak in the States of Iowa, Nebraska, and Minnesota.

(2) The incidence of swine erysipelas now ranks next in importance to hog cholera. Field veterinarians assisted in diagnosing the disease, selecting suitable herds for treatment, and checking the results obtained in the use of the serum-culture method of vaccination. During the year this treatment was applied by cooperative workers to 54,231 herds, containing 3,666,536 hogs, with very satisfactory results.

DETERMINING THE EXISTENCE OF DISEASES IN THE FIELD

Current activities

Investigations are made of diseases which appear to be of a communicable nature in order that prompt control and eradication measures may be taken without delay. In recent years investigations for the most part have covered such diseases as dourine of horses, anthrax, and equine encephalomyelitis.

Examples of recent progress

(1) Laboratory tests for dourine were made of 967 blood samples, 2 of which were positive. These infected animals were stray Mexican horses. The continued testing of horses for dourine is indicated so long as the disease exists on the Mexican side of the border. Its early detection is necessary in order to prevent dissemination of the disease into the United States.

(2) Sporadic outbreaks of anthrax were reported from California, Louisiana, Nebraska, South Dakota, and Texas. Bureau employees continued to furnish assistance in administering preventive treatment against this disease to Indian-owned cattle on reservations.

IMPORT-EXPORT INSPECTION AND QUARANTINE

Current activities

Measures are taken to safeguard the livestock industry against serious losses by preventing the introduction of destructive communicable diseases, such as foot-and-mouth disease and rinderpest, from other countries. Work is conducted at sea, air, and border ports. Livestock offered for importation into this country are inspected and when necessary are quarantined. The importation of animal products, hay, straw, and similar materials which might be the means of introducing dangerous livestock diseases is also supervised. This includes prevention of the landing of meats as sea stores or cargo or of garbage derived from meats from countries where dangerous animal diseases exist.

Purebred animals are further examined at ports of entry for identification purposes to determine their eligibility for entry free of customs duty. Livestock offered for export are also inspected for diseases. Facilities on transporting vessels

are required to meet rigid specifications to assure humane handling and safe transport of the animals.

Examples of recent progress

(1) More than 621,000 animals were inspected for disease at ports of entry during the fiscal year 1950, 167 of which were detained for further observation and testing. Of the animals inspected 1,254 were refused entry on account of disease. Importations were as follows:

Ports of entry	Cattle	Swine	Sheep	Goats	Horses and mules	Other
Ocean ports	847	721	455	1,982	445	41
Canadian border ports	518,296	1,144	72,033	20	21,252	
Mexican border ports					4,505	
Total	519,143	1,865	72,518	2,002	26,202	41

(2) The identification and certification of purebred animals for free entry, by species, was as follows: 245 horses, 22,227 cattle, 2,673 sheep, 960 swine, 9 goats, 808 dogs, 13 cats; a total of 26,935 for the fiscal year 1950.

(3) During the past fiscal year over 4 billion pounds of hides, glands, and other animal products were imported. Animal products were transported to and handled at approximately 200 destination establishments. All railroad cars, trucks, and premises involved in the transportation and handling of products permitted entry subject to further restriction were cleaned and disinfected.

(4) Animals inspected for exportation during the past year are shown by species and country of destination in the following table:

Kind of animal	Canada	Mexico	Other countries	Total
Cattle	725	2,106	8,478	11,309
Swine	14	177	858	1,049
Sheep	7	1,219	669	1,895
Goats	2	91	1,235	1,328
Horses	35	492	4,131	4,658
Mules	374	45	5,987	6,406
Total	1,157	4,130	21,358	26,645

SUPERVISION OVER INTERSTATE MOVEMENT OF LIVESTOCK

Current activities

Inspections are made of livestock received at the larger public markets in order to prevent the spread of disease. When diseases are found, appropriate control measures are taken. Railroad cars, trucks, chutes, alleys, pens, etc., are disinfected under Federal supervision as required. The existence of the disease is reported to the district of origin in order that steps may be taken promptly to localize or eradicate it. Measures are also undertaken to enforce the 28-hour law which is designed to prevent overconfinement of animals in interstate transit by common carrier; and to assure proper feeding, watering, and resting thereby reducing losses through shrinkage, injury, etc.

Examples of recent progress

(1) Funds for inspection of livestock for communicable diseases at public stockyards: Since 1948, when there was a reduction of approximately 19 percent in the appropriation for inspection of livestock at public stockyards, it has been necessary to utilize funds made available from the item "Eradication of foot-and-mouth and other contagious diseases of animals and poultry" to maintain adequate inspection services. The annual appropriation acts from 1948 to 1951 have contained the proviso "that inspection service shall be maintained at all stockyards having such service during the current fiscal year."

(2) The inspection work at key locations makes possible early detection of important diseases and prompt action to prevent spread, and thereby safeguards the livestock population. Volume of work is reflected in the following tables:

	Fiscal year 1949	Fiscal year 1950
Inspection at public stockyards:		
Number of stockyards operating	48	48
Number of cities in which located	43	43
Animals inspected:		
Cattle	22, 409, 726	22, 263, 464
Sheep	16, 230, 899	14, 305, 409
Swine	26, 499, 422	30, 382, 663
Total animals inspected	65, 140, 047	66, 951, 536
Animals dipped and immunized:		
Cattle dipped	4, 120	4, 912
Sheep dipped	134, 438	181, 631
Swine immunized	238, 436	249, 226
Total animals dipped and immunized	376, 994	435, 769
Health certificates issued for shipments	164, 085	170, 251
Infectious cars received	155	198
Cars cleaned and disinfected	1, 647	1, 735
Trucks cleaned and disinfected	1, 356	2, 103
Diseased animals detected (excludes those reacting to tests for tuberculosis and brucellosis)	3, 906	7, 448
Enforcement of animal quarantine acts:		
Violations investigated by Bureau	24	10
Violations referred to the Solicitor of the Department	9	0

(3) Reports of violations of the 28-hour law during the past fiscal year numbered 391. In addition, 76 reported violations were under investigation at the beginning of the year. Recommendations were made to the Solicitor of the Department for the prosecution of 192 cases, 83 were filed without action on information accompanying the report, and 171 were placed in abeyance after investigation revealed that the cause of overconfinement excused the carrier. Twenty-one cases were under investigation at the close of the year. Penalties aggregating $24,100 were imposed by the courts covering 239 violations. A statement of policy setting forth the Department's views regarding the minimum requirements of the law as to feeding and other services was issued by the Secretary's office. This statement was prepared after several conferences between officials of the Bureau and the Office of the Solicitor and representatives of the carriers, producers, packers, and others interested in the transportation of livestock.

CONTROL OF MANUFACTURE, IMPORTATION, AND SHIPMENT OF VIRUSES, SERUMS, TOXINS, ETC.

Current activities

Work covers enforcement of the provisions of the Virus-Serum-Toxin Act to insure that all veterinary biological products manufactured under license will accomplish the purpose for which intended; to prevent marketing of products that are worthless, contaminated, dangerous, or harmful; and to control the importation and interstate shipment of disease organisms, thereby protecting the Nation's livestock and poultry industries against impure and impotent biological products and dissemination of disease through the uncontrolled movement of disease organisms and vectors.

Examples of recent progress

(1) Outstanding licenses under the Virus-Serum-Toxin Act permitted production of 104 different biological products as of July 1, 1950. Several products are manufactured in more than one form, so that the total number of different products produced was 186. The progress and anticipated extent of work under the project is reflected in following table:

	Actual, fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
(a) Establishments producing anti-hog-cholera serum and hog cholera virus	36	36	36
Production (cubic centimeters):			
Serum (preserved product)	1,573,030,000	1,698,870,000	1,783,800,000
Virus:			
Simultaneous	97,868,000	105,697,000	110,982,000
Hyperimmunizing	318,050,500	343,495,000	360,670,000
Inoculating	1,226,200	1,320,400	1,386,400
Animal inspections	4,407,000	4,759,600	4,997,500
Tests supervised	15,000	16,200	17,000
(b) Establishments producing other biologics	40	38	38
Production:			
Cubic centimeters	595,751,500	625,539,000	656,816,000
Milligrams	68,366,000	71,784,000	75,373,000
Disks	272,300	200,000	150,000
Units	617,568,000	636,095,000	655,178,000
(c) Products destroyed (all kinds):			
Cubic centimeters	27,077,000	28,431,000	29,853,000
Milligrams	5,320,000	5,586,000	5,865,000
Disks	2,350	2,800	3,300
Units	17,512,000	18,037,000	18,578,000
(d) Export certificates issued	934	1,040	1,100

Marketing Agreements, Hog Cholera Virus and Serum

MARKETING AGREEMENTS WITH RESPECT TO HOG CHOLERA VIRUS AND SERUM

Current activities

A marketing agreement has been entered into between the Secretary and handlers of anti-hog-cholera serum and hog-cholera virus to assure adequate supplies of these products, which are essential to routine immunization against hog-cholera and for use in emergencies arising from extensive outbreaks of the disease, thus assuring adequate hog production. The marketing order is designed also to prevent unfair trade practices, and undue and excessive price fluctuations. Work to insure compliance with the order includes assembling statistical data on production, sales, prices, and inventories, conducting investigations of alleged violations of the order, attending industry conferences, holding public hearings, and other administrative actions.

Examples of recent progress

(1) Marketing agreement and order: A public hearing for the purpose of amending the order to provide that wholesalers bear a more equitable proportion of the expenses of the control agency was held during the year. Groups of producers and individuals have discussed trade matters on a number of occasions with personnel of the Bureau.

(2) Violations of marketing order: The Control Agency and representatives of the Bureau are continuing investigations and screening of all wholesalers under the order to determine if those so classified are continuing to conform to the requirements. Two companies have been cited and will be investigated.

(3) Control agency: Several meetings were held with representatives of the serum industry relating to the problem of a variant in hog-cholera virus. Expenses of representatives were financed by the Control Agency since the serum industry has nobody representing the entire industry.

(4) The following table shows comparable figures by fiscal years of the number of handlers operating under the marketing agreement:

	Actual		Estimated	
	1949	1950	1951	1952
Produce-handlers	34	33	33	33
Distributor-handlers or equivalent including wholesale purchasers and handlers	243	259	265	275

Meat Inspection

Current activities

Enforcement of the Federal meat inspection laws assures production of disease-free, clean, and wholesome meat and meat products for both civilian and military use and for foreign commerce. This is accomplished by supervising slaughtering and meat processing operations at meat packing plants, application of controls over imported meats to assure the same protection as in the case of meats produced domestically, and a system of certification of meats for export to keep foreign markets open to American meats. Work is also performed on a reimbursable basis for other Government agencies to assure specification compliance in governmental purchasing.

Examples of recent progress

(1) Meat inspection volume increased in 1950. Reflecting substantial increase in the number of hogs marketed last year, total volume of meat inspection work expanded.

	1948	1949	1950
Number of establishments covered (at close of fiscal year)	940	928	928
Number of cities and towns in which establishments were located (at close of fiscal year)	372	364	363
Ante-mortem inspection:			
Animals passed	86,315,571	83,220,393	87,476,433
Animals suspected	220,805	240,002	249,281
Animals condemned	8,053	6,540	6,820
Total animals inspected	86,544,429	83,466,935	87,732,534
Post-mortem inspection:			
Carcasses passed	86,220,163	83,172,163	87,428,617
Carcasses condemned	314,486	286,623	295,221
Total carcasses inspected	86,534,649	83,458,786	87,723,838
INSPECTION OF ANIMALS BY SPECIES			
Ante-mortem inspections (animals):			
Cattle	14,253,747	13,186,667	13,119,481
Calves	7,596,188	6,749,609	6,234,999
Sheep and lambs	15,628,789	13,895,500	12,247,510
Goats	271,626	262,064	122,240
Horses [1]	241,048	307,794	240,012
Swine	48,553,031	49,065,301	55,768,292
Total	86,544,429	83,466,935	87,732,534
Post-mortem inspections (carcasses):			
Cattle	14,248,351	13,182,962	13,115,889
Calves	7,595,064	6,749,001	6,234,261
Sheep and lambs	15,627,907	13,894,311	12,246,809
Goats	271,603	262,064	122,233
Horses [1]	241,036	307,785	240,010
Swine	48,550,688	49,062,663	55,764,636
Total	86,534,649	83,458,786	87,723,838

[1] Horses are slaughtered and their meat is identified as such. It is handled and prepared in separate establishments from those handling cattle, calves, sheep, swine, and goats.

Meat and meat food products prepared and processed under Federal inspection by fiscal years

Fiscal year:	Pounds
1945	13,408,978,079
1946	12,250,086,608
1947	11,888,911,964
1948	12,610,658,151
1949	13,381,083,144
1950	14,146,903,556

Examination of meat and meat food products for other Government agencies (reimbursable)

Branch of Government	1948	1949	1950
	Pounds	*Pounds*	*Pounds*
Department of the Navy	215,351,425	219,607,657	173,436,541
Commodity Credit Corporation (supply programs)	36,293,255		12,313,413
Coast Guard	1,203,232	1,383,266	745,977
Marine Corps	461,997	12,204	10,714
Department of Interior	199,300	5,536	28,204
Veterans' Administration	3,148,551	3,824,310	4,937,609
Department of the Army	86,149	94,489	91,990
Maritime Commission	62,752	7,192	
Department of Justice	76,084	157,297	90,813
All others	60,706	30,944	51,279
Total	[1] 256,943,451	[2] 225,122,895	[3] 191,706,540

[1] Includes 3,049,722 pounds rejected.
[2] Includes 2,184,396 pounds rejected.
[3] Includes 1,858,679 pounds rejected.

Summary of samples examined in laboratories for determination of adulteration or other objectionable conditions, fiscal year 1950

	Number examined	Reported adversely
Meat and meat food products	12,844	1,940
Edible fats and oils	457	38
Cereals, spices, and condiments, dried skim milk, soya flour	5,532	114
Curing materials	1,886	59
Water	2,252	146
Miscellaneous	2,423	180
Samples of animal foods	61	3
Imports	982	272
Total	26,437	2,752

Meat and meat food products classified by type of product

Product	1948 quantity	1949 quantity	1950 quantity
	Pounds	*Pounds*	*Pounds*
Placed in cure:			
Beef	112,062,827	120,720,960	110,639,982
Pork	2,996,068,892	3,213,574,534	3,435,780,953
Smoked and/or dried:			
Beef	66,081,959	55,987,753	50,865,406
Pork	1,786,506,044	1,990,532,562	2,055,293,137
Sausage:			
Fresh finished	227,036,305	242,795,972	240,878,222
Smoked and/or cooked	971,645,660	961,851,503	961,719,027
To be dried or semidried	118,964,978	118,735,086	117,477,505
Loaf, headcheese, chili con carne, jellied products, etc	188,939,595	180,369,664	177,679,181
Cooked meat:			
Beef	29,928,456	29,709,827	35,300,165
Pork	519,492,894	552,006,645	604,394,554
Canned meat and meat food products:			
Beef	133,647,742	107,112,944	93,522,249
Pork	466,447,872	460,894,388	532,835,662
Sausage	108,153,510	83,493,448	77,899,692
Soup	446,434,973	402,232,097	437,513,467
All other	412,838,087	425,945,237	402,635,605
Bacon, sliced	555,601,466	679,605,650	739,962,146
Lard:			
Rendered	1,597,280,620	1,680,868,655	1,871,395,554
Refined	1,187,190,093	1,354,200,766	1,340,627,407
Rendered pork fat:			
Rendered	79,773,805	90,387,324	108,571,605
Refined	43,749,988	54,840,402	58,201,056
Oleo stock	77,579,775	89,275,032	99,440,098
Edible tallow	69,143,099	75,697,290	66,642,581
Compound containing animal fat	250,937,300	202,775,520	237,856,460
Oleomargarine containing animal fat	24,115,763	26,390,268	22,510,055
Miscellaneous	76,886,836	91,065,049	228,758,118

Meat and meat food products classified by type of product—Continued

Product	1948 quantity	1949 quantity	1950 quantity
Horse meat products:	*Pounds*	*Pounds*	*Pounds*
Cured	11,720,338	9,498,650	704,206
Chopped	21,243,479	25,274,771	27,951,791
Canned	30,620,858	43,108,666	7,067,033
Rendered fat	564,937	3,042,481	2,780,639
Total	12,610,658,151	13,381,083,144	14,146,903,556

Examination of labels and sketches, fiscal year 1950

Number of labels and sketches approved	29,726
Number of labels approved for imported meat	462
Number of labels and sketches refused approval	3,056
Total number of labels and sketches reviewed	33,244

Inspection of imported meat and meat food products

Fiscal year:	*Pounds*
1945	92,178,607
1946	64,484,876
1947	57,832,177
1948	86,404,884
1949	254,519,299
1950	229,147,254

(2) Studies of spoilage of fresh pork sausage in storage showed that pork trimmings contributed more to the bacterial load than did plant equipment or seasoning ingredients, when so-called sterilized spices were used. Bacteriological investigations of causes of spoilage demonstrated that the rapid growth of lactic acid forming bacteria of the genus *Microbacterium* was the cause of the unpleasant acid flavor developed in sausage during refrigerator storage.

(3) Approximately 700 laboratory examinations were made for diagnosis of disease conditions and abnormalities in food animals and for determination of spoilage and adulteration of meat and meat food products.

(4) A condition occurring in bovine livers in Southwestern States that had been designated "yellow parenchymatous degeneration" was determined to be carotenosis. Biochemical analysis showed some but not all of the carotenosis livers contained, in addition to excess carotene, toxin amounts of vitamin A. This finding justified the exclusion of this product from human consumption.

(5) Reinvestigation of the problem of mushy hams has shown that certain types of such hams are due to bacterial contamination of the product as well as by sarcosporidiosis.

(6) Over 1,000 half-pound samples of ready-to-eat pork products processed under Federal meat inspection were examined to determine the effectiveness of processing procedures. No live trichinae were found in any of the samples and only small numbers of dead trichinae in a few. The evidence shows that processing is adequate to protect the public from the danger of trichinosis.

(7) Further studies on the survival of trichinae in pork showed that trichinae were destroyed more rapidly in salted ground pork than in salted chopped pork. In ground pork to which 3½ pounds of salt were added per 100 pounds of meat, only 9 percent of the trichinae were alive after 25 days' storage, whereas in chopped pork similarly salted and stored, 18 percent of the trichinae were still alive.

(8) From time to time the carcasses of choice cattle are condemned because of sarcosporidiosis, which is an infection of the muscles with organisms known as sarcocysts. In order to determine means of dealing with this problem studies have been undertaken to determine the nature of the organism. During the past year, muscle tissues from cattle, sheep, and hogs were studied microscopically and found to contain, along with debris, threadlike, club-shaped bodies resembling fungi.

Mr. WHITTEN. I do wonder, though, in view of our present situation whether or not we could operate on a little more of a skeleton basis at some of our places where we carry on research? I wonder,

too, if the military—I am talking about the civilian military—isn't going to be needing manpower, having uppermost the interests of the Nation at heart, and if we shouldn't release to the present emergency as many people as we can spare?

I have been active here in the Congress, trying to make it easy for folks that didn't feel they were too busy and could be spared to transfer over to the military, with their job held for them until they come back. I think, maybe, Civil Service is finally going to cooperate in doing that.

We don't want to lose the results that we worked years to get, such as these herds that you have kept records on, and we don't want to turn hog cholera loose, and we don't want to do any of these other things. But necessity is a hard taskmaster, and I believe he is just about to take over for us in this country, whether we wish it or not.

I wonder if we shouldn't have some review?

You are constantly using the expression: "We are not asking any more money next year." That is to your credit, but I don't know whether it is too much to your credit in view of our present situation, and this is no quarrel, with you personally, Dr. Simms, or your Bureau. We are faced with the situation of having to reduce expenditures, and we haven't found anybody yet that feels he can help.

Dr. SIMMS. Well, in our budget, of course, a fairly large percentage of it is "must" legislation.

MEAT INSPECTION

Mr. WHITTEN. Inspection; I know you can't let that go. But I have had folks come to me repeatedly and say one reason for your big costs is the number of veterinarians you require where the work could be easily done by trained lay inspectors. I don't profess to kave any knowledge about the subject at all, but I can see a trained inspector might be just as good so far as observing meat as a veterinarian, if you had available a veterinarian who in unusual cases could come in and inspect.

Dr. SIMMS. That is exactly the principle we follow. Only about one fourth of our meat inspectors are veterinarians—I can't give you the exact figures, I am sure Dr. Miller can.

Mr. WHITTEN. You understand, I am not making this as a charge. I am telling you the reports that come to us.

Dr. SIMMS. That is correct. We realize, and follow that as a principle. We have about three nonveterinarians in the employ of our meat inspection to each veterinarian. That is approximately the figure.

Dr. MILLER. That is correct. I would like to have an opportunity to explain to you how that works out.

Mr. WHITTEN. We would be glad to have it.

Dr. MILLER. I have a few charts here that will illustrate that very point.

Mr. WHITTEN. It might as well go on into meat inspection.

Dr. SIMMS. Always with the privilege of coming back. All right, sir.

ROLE OF INSPECTORS IN MEAT INSPECTION PROGRAMS

Dr. MILLER. These charts have been prepared purposely to illustrate how inspectors are used in the Federal Meat Inspection Service. Just as a preliminary, we have inspection in nearly a thousand meat packing plants that ship meat interstate, and those plants process more than 70 percent of the domestic meat consumption and, of course, all of the military meat consumption; that portion of it, anyway, that is bought in this country. Now, then, the two charts separate nicely the two categories of operations in meat packing plants. We have the slaughtering department, which is an entirely different operation from the point of view of utilization of inspectors, from the processing departments, the inspection duties of which are illustrated on the right-hand chart, but let me first go to the slaughtering department. Those pictures illustrate the four principal inspection positions in the slaughtering department.

The one at the left, the antemortem inspection, where live animals are examined to eliminate all unfit animals from being slaughtered for food purposes. The second is the inspection of cervical glands, or head inspection. The cervical region is one of the favorite avenues for infection; that is, through the mouth, and so forth. The third picture from the left is the viscera inspection, where the inspectors examine the organs, the internal organs of each animal, to detect and eliminate disease conditions. They are evidenced in the livers, lungs, and the lymphatic system of the pulmonary and the digestive tract. The fourth picture is the carcass inspection, where the carcass, after it is eviscerated, is examined to detect those abnormalities, such as local abscesses, and other conditions that have not been detected at the other two, or the other three inspection positions.

There is an important point to this chart: You will see that the inspector has a position in a production line. In other words, each inspector is part of the processing operation and part of the production line, just like a butcher. His duties are integrated in the dressing operation of the different species of animals, the number of positions that we find necessary at this time to man these meat-packing plants is identified below the illustrations.

A large number of positions are identified with the viscera inspection because frequently in a small plant the man who is primarily inspecting viscera, inspects across the board. There isn't a separate man for each operation in a small plant. One man in many of the small plants takes care of all of the steps in the inspection procedure.

Now, then, to get around to your point, Mr. Whitten, the matter of utilizing laymen; laymen are utilized at every point that you see in that chart. What is not shown is the final inspection assignment, which is invariably and must be filled by the veterinarian. I don't mean to say that veterinarians are not used along the line, or would not be desirable to be used along the line, but because of the shortage of veterinarians we are limited to using the veterinarians at those key positions that you suggested, that is, after the abnormal conditions are detected by laymen. The veterinarian then moves in and evaluates those abnormal conditions in terms of the fitness of the animal or the carcass for food purposes.

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You will notice I emphasized the necessity for having enough men to relieve these men when they are absent from positions for leave purposes. It isn't the sort of operation where leave can be absorbed, somehow. When that man on head inspection is on leave, someone has to fill his place. There has to be someone on that production line every minute while the animals are being dressed.

Mr. WHITTEN. Well, would a longer workweek help somewhat?

Dr. MILLER. In that connection we are not limited in our workweek right now. We are not on the so-called 40-hour week. These men work as long as there is work to be done. Some of them work—well, in December, January and part of November during the heavy runs of hogs, some of these men on hog inspection worked as long as 60 hours a week, even on that arduous work. It is not unusual at all for inspectors over in this processing end to work as long as 60 hours a week.

Mr. WHITTEN. Do you pay them straight time for that?

REIMBURSEMENT FOR OVERTIME SERVICE

Dr. MILLER. They get straight time for the first 40 hours and as you will recall, we have a packer reimbursement arrangement for overtime, whereby the packers pay for the cost of overtime service. Where an inspector works 60 hours the Government pays the 40 hours, and the packer reimburses the Government for the cost of the overtime.

Now, then, what is true in the slaughtering department is also relatively true in the processing department. While these men are not stationed at the inspection positions, they are integrated in the processing line. For example, practically all smoked and cured hams these days, are the so-called tender variety that must be processed so they can be eaten without further cooking. That processing must include the destruction of trichinae that might be in the pork muscle tissue. In every smoked ham processing line the inspector has to be integrated into the operation, into the processing operation to assure that the temperature of each ham is raised to at least 137° Fahrenheit so that the parasite will be destroyed. That is a breaking point, really, because a packer will not raise that temperature any higher than he actually has to because every degree of heating higher than he must subject it to increases the shrink. You see, the inspection control is not something that works out automatically, this heating of ham to make it safe. It is something that needs inspection control.

There are many departments that aren't illustrated here that include a tremendous amount of inspection responsibility such as sausage processing, to insure freedom from adulteration, the label control, to avoid misbranding, and so forth.

That is a long story. I could continue for quite a while.

Mr. WHITTEN. There are several questions in connection with it. The records show you are asking about a 5 percent increase in funds for next year for meat inspection and your estimated increase in workload is only about 3 percent. I would like to suggest there that the fact that the packer pays all above 40 hours would indicate that perhaps you could meet this problem in that way, in view of the present financial situation with which the Nation is faced.

You know we are dependent on you folks, in your Bureau, to hold this thing down. A few years ago this committee set out to see that the cost of the inspection service was paid by the packers. The same law applied. The same people did the work. They were under the same supervision. There was no change whatsoever, except in who eventually paid the bill, and yet there were speeches made on this floor that we were doing something that might be affecting public health. The Members of Congress rose up in arms and put it back, on a complete misapprehension. The point I make is, we can't make any cuts here of any consequence and get by with it, judging by what the Congress did before.

Dr. MILLER. Let me tell you what we have done: We are using this overtime device in those plants, for example, that have round-the-clock, 24-hour production, such as canning plants, and other types of processing. We have long since gone on a two-man shift; that is, two 12-hour shifts instead of the three 8-hour shifts, with the packer paying for all of that time that a man works over the 8 hours. In no case have we increased our organization to meet an overtime load.

In all cases we have just that number of men necessary to fill positions and they stick to that position as long as the work in the plant continues.

Mr. WHITTEN. This is no quarrel with your folks. I think you recognize our problem of trying to cut down expenditures as much as we do. Certainly you should.

INCREASED DEMANDS FOR MEAT PRODUCTION

Dr. MILLER. We sure do.

This chart illustrates the additional factors that we are faced with as we plan for 1952. They are connected with the civilian controls—what are usually called civilian controls connected with the emergency, and of course the military demands. As a result of the military demands, we have experienced, for example, a 25 percent increase in the canned-meat production. When you realize that that affects about 100 plants, and that the 25 percent increase is not evenly distributed throughout those plants, but depends entirely on successful contracting for military or Government orders, you will see that plants overnight will go from an 8-hour production to a 24-hour around-the-clock production, and it means an additional man in there to man the second shift. We have not only experienced the increased meat production by virtue of military demands but new plants are coming into the field with this four-way beef processing, and various other meat processing that is connected with military demands. On the civilian side the meat controls and price controls interest a new category of meat processors, a new category of meat packer in obtaining the inspection.

Combined with that, we have the high civilian consumption of meat, which you probably read in the papers will, in spite of the increased military demands, increase by 3 pounds over this year. Of course, people have plenty of money to buy meat and the production and consumption is going to be high.

To support all that, we have a large livestock supply, as evidenced by these three quotations here. The first one, December 5, 1950, says that for the first time since 1944 the hog receipts of 12 central

markets exceeded a million. 1944 was a big hog-production year, you will recall. Then the next quotation points out that in spite of that, there is a larger spring crop predicted for this coming spring, with the prospect of even more hogs this time next year. The last one is virtually a punch line: that the number of cattle on feed was the largest on record, as of January of this year.

Mr. WHITTEN. You make a good showing. You make a good record, and I am sure it is just as you say. The only trouble is, everything is just like that. What would you do?

Dr. MILLER. I am responsible for meat inspection.

Mr. WHITTEN. You might proceed, Doctor, if you have a further statement.

MARKETING AGREEMENTS, HOG CHOLERA VIRUS AND SERUM

Dr. SIMMS. Referring again to the work on animal disease control and eradication which we were discussing, when we came to the question of the use of veterinarians on meat inspection, we said that insofar as the control work in the field is concerned, the budget request is the same. There is an item of increase in the amount of $49,300 in the item "Marketing agreements, hog cholera virus and serum." It is not really an increase in our budget. It is an amount that has been taken care of in the past by transfer of funds, and now it has to appear in the budget as a direct appropriation.

Mr. WHITTEN. Where did you get this money heretofore? It was transferred from what source?

Mr. BUTLER. The Agricultural Adjustment Act of 1933.

Mr. ROBERTS. Mr. Chairman, I can explain that.

Since this marketing agreement work on virus-serum was inaugurated in 1937, it has been financed each year through language in the appropriations act which made a stated sum of money available from the permanent appropriation made available under section 12 (a) of the old triple A act of 1933.

With the funds that were thus made available for 1951, the balance in that fund is now depleted. Thus the $49,300 proposed for this activity in 1952 is not an increase in the sense that it is an increase in the program. It will merely provide for continuation of the program at its present level, but by funds appropriated directly from the Treasury, rather than from the balance that has heretofore been available from the section 12 (a) fund.

Mr. WHITTEN. I presume we will cover the foot-and-mouth-disease program in Mexico separately; will we not?

Dr. SIMMS. Yes.

Mr. WHITTEN. That comes up as a separate item.

Dr. SIMMS. Insofar as you are concerned, unless you have further questions to ask, we are ready to proceed to the foot-and-mouth disease now.

LANGUAGE CHANGE

Mr. WHITTEN. It may be that some of these other members would like to question you. I notice there is one language change here:

Provided further, That the inspection service shall be maintained at all stockyards having such service during the current fiscal year.

Does that enable you to have some freedom to do what you may be required to do, and spread your people as best you can?

Mr. SIMMS. Yes; the outstanding example, perhaps, is at Clovis, N. Mex., a yard that has become almost entirely a feeding station now, but still we have to keep an inspector there, and there are other similar places. It would give us more mobility. We know it would enable us to do the job somewhat more economically, and to do a better job.

Mr. WHITTEN. Any questions, Mr. Stigler?

Mr. STIGLER. No.

Mr. WHITTEN. Mr. Horan?

Mr. HORAN. That is deletion of the language we included last year?

Dr. SIMMS. That was included first, I believe in '48.

Mr. ROBERTS. About 1948, I think. It has been carried each year since that time.

Mr. HORAN. No further questions.

Mr. STIGLER. Doctor, in November in my district a new disease broke out in some of our cattle, and you were kind enough to send your poison expert from Utah, Dr. Hoffman.

Dr. SIMMS. Yes.

Mr. STIGLER. He came and interviewed quite a few of our cattle farmers. I know I talked with quite a few of our local veterinarians, and at first they couldn't determine whether it was caused from mineral deficiency or fungus growth on the grass. A veterinarian in my home town, Dr. J. E. Stanford, made a diagnosis of what he thought it was, and it turned out originally to coincide with the viewpoint of Dr. Hoffman.

I just want to take this occasion for the record to thank you and your Department for being alert to the situation, and rendering the help at the needed time, because it was getting very serious, and many of our cattlemen were losing quite a few cattle and at the price of cattle it was hurting very severely.

Dr. SIMMS. We appreciate very much this expression.

I would like to call attention to this fact: again that was a cooperative effort. We worked with the State veterinarian and with the State experimental station, so that while Dr. Hoffman went in there, we tackled it as a team. That is a thing we believe in. We believe in teamwork.

Mr. STIGLER. That is all, Mr. Chairman.

FUNDS NOT REQUESTED FOR ADDITIONAL RESEARCH FACILITIES

Mr. HORAN. All I wanted to ask about was the present status of the proposed laboratory.

Dr. SIMMS. That is for foot-and-mouth disease?

Mr. HORAN. Yes. That would not come under a foot-and-mouth appropriation; it would be in your research appropriation; wouldn't it?

Dr. SIMMS. We do not have any request for funds for a foot-and-mouth disease research laboratory in this budget at this time. We were instructed by the committee the last time funds were requested for it to pursue further the possibilities of research at established institutions, rather than building a laboratory. We have done that.

Our results and efforts will be presented at the time we come up for civil defense funds. We are continuing our work in the European laboratories. We have investigated and are further investigating the possibilities of doing additional foot-and-mouth research work in South America. We expect research under the present arrangement to continue into the early months of the fiscal year 1952.

Eradication of Foot-and-Mouth Disease and Other Contagious Diseases of Animals and Poultry

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS (OTHER THAN LOAN FROM COMMODITY CREDIT CORPORATION)			
Appropriation or estimate (to reimburse Commodity Credit Corporation for 1950 program costs)			$32,700,000
Transferred from "Salaries and expenses, animal industry, Agricultural Research Administration," animal husbandry, pursuant to Public Law 146	$15,000		
Total appropriation or estimate	15,000		32,700,000
LOAN FROM COMMODITY CREDIT CORPORATION			
Prior year balance reappropriated	5,923,680	$443,616	
Prior year unreimbursed transfers from Commodity Credit Corporation	11,896,041		
Advances from Commodity Credit Corporation:			
Cash	24,460,000		
Services	1,497,981		
Total available for obligation	43,477,702	443,616	
Inventory adjustments	−818,339		
Proceeds from sales of canned meats and meat products and recoveries from Mexican packing plants for inspection services performed	−959,815		
Estimated inventory June 30, 1950	−9,817,887		
Balance available for reappropriation in subsequent year	−443,616		
Net available for obligation	31,438,045	443,616	
Total obligations	31,453,045	443,616	32,700,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS (OTHER THAN LOAN FROM COMMODITY CREDIT CORPORATION)			
1. Control and eradication of foreign poultry diseases	$15,000		
2. Reimbursement to Commodity Credit Corporation for loan			$32,700,000
Total direct obligations	15,000		32,700,000
LOAN FROM COMMODITY CREDIT CORPORATION			
3. Cooperation with Mexico in control and eradication	19,113,193		
4. Enforcement of Mexican border quarantine	2,898,615		
5. Inspection at public stockyards and in the field	256,935		
6. Short-term research	302,400		
7. Purchases and sales costs of Mexican canned meat and meat products	8,315,150		
8. Interest	551,752		
9. Undistributed		$443,616	
Total obligations from loan from Commodity Credit Corporation	31,438,045	443,616	
Total obligations	31,453,045	443,616	32,700,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	2,279		
Full-time equivalent of all other positions	20		
Average number of all employees	1,996		
Personal service obligations:			
Permanent positions	$7,039,474		
Part-time and temporary positions	77,068		
Regular pay in excess of 52-week base	25,904		
Payment above basic rates	1,795,694		
Total personal service obligations	8,938,140		
Deduct charges for quarters and subsistence	658		
Net personal service obligations	8,937,482		
DIRECT OBLIGATIONS (OTHER THAN LOAN FROM COMMODITY CREDIT CORPORATION)			
01 Personal services	254		
02 Travel	394		
04 Communication services	111		
06 Printing and reproduction	42		
07 Other contractual services:			
Repayment of loan from Commodity Credit Corporation			$32,700,000
Other	62		
08 Supplies and materials	671		
13 Refunds, awards, and indemnities	13,466		
Total direct obligations	15,000		32,700,000
LOAN FROM COMMODITY CREDIT CORPORATION			
01 Personal services	8,937,228		
02 Travel	500,160		
03 Transportation of things	151,729		
04 Communication services	19,469		
05 Rents and utility services	41,327		
06 Printing and reproduction	3,468		
07 Other contractual services:			
Purchase of canned meat and meat products	7,252,851		
Handling expenses of Commodity Credit Corporation of canned meat and meat products	946,229		
Other	458,394		
08 Supplies and materials	756,503		
09 Equipment	733,048		
10 Lands and structures	5,887		
13 Refunds, awards, and indemnities:			
Payments to Mexican-United States Commission for the Eradication of Foot-and-Mouth Disease	11,080,000		
14 Interest	551,752		
Undistributed		$443,616	
Total obligations from loan from Commodity Credit Corporation	31,438,045	443,616	
Total obligations	31,453,045	443,616	32,700,000

Mr. WHITTEN. We come now to foot-and-mouth disease. I will ask page 179 be inserted in the record.

(The material is as follows:)

Eradication of foot-and-mouth disease and other contagious diseases of animals and poultry

Appropriation act, 1951	
Budget estimate, 1952	$32,700,000
Increase (apparent increase only; represents funds required to repay Commodity Credit Corporation for transfers and expenses incurred in the fiscal year 1950. Repayments have been made for previous fiscal years by supplemental appropriations)	+32,700,000

Project statement

Project:	*Total estimate and increase*
1. Cooperation with the Government of Mexico in the control and eradication of foot-and-mouth disease	$19, 113, 193
2. Enforcement of Mexican border quarantine	2, 898, 615
3. Inspection at public stockyards and in the field	256, 935
4. Short-term research program on foot-and-mouth disease	302, 400
5. Purchases and sales costs of Mexican canned meat and meat products	8, 315, 150
6. Interest	551, 752
7. Inventory losses	818, 339
8. Control and eradication of foreign poultry diseases	15, 000
Total	32, 271, 384
Transfer from "Salaries and expenses, Animal Industry, Agricultural Research Administration"	−15, 000
Unobligated balance of funds transferred from Commodity Credit Corporation available in fiscal year 1951	443, 616
Total estimate	32, 700, 000

Mr. WHITTEN. We will be glad to have your general statement as to the situation down there in Mexico.

ACCOMPLISHMENTS IN MEXICO

Dr. SIMMS. Mr. Chairman, I would like to ask Dr. Clarkson, who, as you know, has immediate charge of the work and who is more familiar with the details than I am, to discuss the Mexican situation and Mexican work with you.

Dr. CLARKSON. Mr. Chairman, the work in Mexico has undergone some substantial change since the time that you and other members of the committee were there a little over a year ago.

When you were there, a great deal of the effort was being spent on the production of vaccine, testing of that vaccine, and the administration of the vaccine in the field. That work has now been completed, with a total of something over 53,000,000 doses of vaccine having been prepared in Mexico, and more than 60,000,000 vaccinations administered in the field.

That meant, for all of the zone, three successive vaccinations at 4-month periods; and, for about two-thirds of it, four successive vaccinations. That work was completed in July of 1950, and the emphasis since that time has been placed on the other phases of the activity, particularly the repeated inspections throughout the zone to uncover any evidence of infection that may be there, the maintenance of quarantine lines, both north and south of the infected zone, the disinfection of trucks, cars, other vehicles and things moving out of the quarantine zone, the cleaning and disinfection of premises where the disease is found, and the like.

With the termination of the vaccine production and administration, it has been possible to very materially reduce the numbers of people that have to be employed in the work; and, as a comparison, I would just like to give these few figures:

In July of 1949, in the United States section in Mexico City, there were 1,151 employees. In December 1950, there were 771 United States employees. In July 1949, the Mexican section had 248; in December 1950, 170. In July 1949, the Joint Commission employed 3,874 people full-time and 3,457 part-time. In December 1950, the

Joint Commission employed 1,770 full-time and 48 part-time. All civilian employees, Mexican and American together, totaled, in July 1949, 8,730; and, in December 1950, 2,759.

That reduction has been possible because of the development of the program, which has been quite favorable.

After the vaccination was completed, it is necessary to watch the animals for a long period of months as that protection of the vaccine wears off to determine whether the virus of foot-and-mouth disease any longer exists in the area under quarantine.

We had not seen any active infection since December of 1949 and January of 1950. We don't know whether that was because the disease no longer existed there or whether the protection given by the vaccination merely held it suppressed so that it was not apparent. One of the uncertainties in the situation following the long period of vaccination is that no one knows with any certainty how much, or I should say how long, the protection in the individual animals will remain at a high level following three or four successive vaccinations. We do think that we must watch those animals for a long period of time until it can be said with certainty that the disease does not exist there, or it begins to show up in many places, indicating that the work has not been so successful as we hoped.

The evidence so far has been very good. We have had only one center of active infection, and that showed up the last part of December, and that has now been entirely eradicated. The premises have been cleaned and disinfected and no evidence of any spread from that center is evident. Since that time, we have not discovered any more, and with each passing month it looks that much better. We are coming that much closer to the time when we hope we can conclude the disease no longer exists in Mexico.

Mr. HORAN. Mr. Chairman, wasn't that recent outbreak outside the quarantine area?

Dr. CLARKSON. It was in the quarantine area. It was in the northeastern section, about 75 miles south of the northern quarantine line, which placed it within the quarantine zone. We do not have any maps except this little one. This is the quarantine zone, and that break was right at this point (indicating).

RECENT OUTBREAK IN VERACRUZ

Mr. HORAN. I understand there was an outbreak down at Veracruz.

Dr. CLARKSON. That is correct. Veracruz runs from a point about 50 miles above this northern quarantine line down to this southern quarantine line, down the length of the coast, but the place of the outbreak was within the quarantine zone.

Mr. HORAN. I understood it was south of the quarantine area.

Dr. CLARKSON. No, sir; in the release it said south of the northern quarantine line, and perhaps that wording was not clear.

PERSONNEL EMPLOYED

Mr. WHITTEN. What is the total number of employees that you have down there, both full time and part time, as of today?

Dr. CLARKSON. As of today——

Mr. BUTLER. Seven hundred and twenty-five full time.

Dr. CLARKSON. Seven hundred and twenty-five full-time United States employees. We don't have a more recent check than the one I just gave you on the employees of the Joint Commission.

Mr. WHITTEN. The Joint Commission has how many?

Dr. CLARKSON. In December 1950 there were 1,770, plus enough part-time people to make an equivalent of 48 more.

Mr. WHITTEN. What is the greatest total you have had at one time down there?

Dr. CLARKSON. Over-all, total was 8,730 in July 1949. That was one of the highest months.

Mr. WHITTEN. Now, if conditions continue approximately as they are now, do you contemplate a further gradual reduction in personnel?

Dr. CLARKSON. Yes; we are doing this month by month. We have employed only a very few new people in the past 8 months, and as the force is reduced by people going into the military or coming back home for one reason or another, we are extending the areas of their inspection responsibilities, taking first those areas where the disease was lightest at the time when it was widespread.

Mr. WHITTEN. This $32,000,000 that you have here, that is a return of the CCC of money you have already expended?

Dr. CLARKSON. Yes.

Mr. WHITTEN. Dr. Clarkson, you made the statement that you lost people by attrition and other reasons, and you try to absorb it. That is fine. I would like to see others do that. On the other hand, we don't want to become dependent on that entirely as a means to curtail our efforts down there. We don't want everybody to have a job until they can find a better one. You do intend to study this thing continuously from an earnest and practical standpoint in an endeavor to reduce as fast as the situation will permit?

Dr. CLARKSON. Yes. We have eliminated quite a number of employees because their jobs ran out. In the case of vaccine production and testing, most of those employees have gone, and in the premise disinfection—we have disinfected something like 100,000 premises in Mexico—the work has been substantially finished, so that those employees have been dismissed.

RATES OF PAY COMPARISON

Mr. WHITTEN. I am glad to hear you say that.

We have had called to our attention recently the fact that many native employees in other sections were being paid the 25-percent differential and that, for instance, native post-office clerks in Honolulu get 25 percent more than the same postal clerk here. What has been your practice in Mexico with regard to the payment of local people?

Dr. CLARKSON. The United States employees going to Mexico get no differential. They do get a quarters allowance and there is a maximum scale which is set by the State Department, I believe.

Mr. WHITTEN. My criticism is not directed particularly to the citizens of the continental United Stated, but at the payment to the local native of a 25-percent differential.

Dr. CLARKSON. What I said about quarters allowance applies only to American citizens.

Mr. ANDERSEN. American citizens do not get the 25 percent down there, however?

Dr. CLARKSON. No, sir.

Mr. ANDERSEN. That is different from other departments of our Government.

Mr. WHITTEN. Your people are not civil service; are they?

Dr. CLARKSON. Many of our United States employees are permanent civil-service employees transferred from our Bureau here to work in Mexico.

Mr. HORAN. The Mexicans hired your employees?

Dr. CLARKSON. The bulk of the employees are hired by the Joint Commission, which is a joint endeavor of the United States and Mexico, and they are paid wages according to prevailing rates in Mexico. They get no quarters allowance. We have some Mexicans on the American roll, and they get no quarters allowance, and no 25 percent differential. There is nothing like that.

Mr. WHITTEN. And your employees down there get the quarters allowance in lieu of the 25 percent?

Mr. BUTLER. There is no provision for the 25-percent differential in Mexico, Mr. Whitten.

Mr. ROBERTS. The 25-percent differential, Mr. Whitten, is limited, as I understand it, to the Territories and possessions of the United States. As to foreign countries, quarters allowances and living allowances are provided, according to schedules established by the State Department.

Mr. BUTLER. There is no cost-of-living allowance in Mexico at the present time. It was discontinued some time ago. Cost-of-living allowances are based on a comparison between living costs in Mexico City and Washington, D. C.

Mr. WHITTEN. This is no attack on adequate provision being made for employees of the Federal Government being sent to Mexico for this work. We haven't been able to see the wisdom of paying the native in other countries a 25-percent higher wage than the same type of employee in the United States gets. That is what we are pointing out.

Dr. SIMMS. We don't do that down there.

Mr. WHITTEN. Further questions?

Mr. STIGLER. No questions.

SHORT-TERM RESEARCH PROGRAM ON FOOT-AND-MOUTH DISEASE

Mr. HORAN. Why doesn't the research that was done in Mexico on foot-and-mouth show up in the total of the research expenditures for the Department of Agriculture?

Dr. SIMMS. The research that has been done with the funds for Mexico, that all shows in the foot-and-mouth item, rather than being shown as an appropriation item in the work in this country.

In other words, it is financed by the funds that are set up for the eradication of foot-and-mouth disease in Mexico.

Mr. HORAN. We knew that. What we want to know is why it wasn't included.

Mr. ROBERTS. Mr. Horan, are you referring to whether or not the cost of the research work in connection with the foot-and-mouth disease program in Mexico is reflected in the research table?

Mr. HORAN. Yes.

Mr. ROBERTS. It is shown under the heading of "Bureau of Animal Industry," but it is not segregated on that table as a separate item.

Mr. HORAN. It is included there?

Mr. ROBERTS. Yes; I am just having it checked to be sure.

Mr. WHITTEN. Our justifications carry an item on page 179, short-term research program on foot-and-mouth diseases, $302,000.

Mr. HORAN. I was given to understand it was not included.

Dr. SIMMS. That was the reference I made when I said it was set out.

Mr. HORAN. It is only a minor item, but it might help us in our appraisal of this.

PASSENGER MOTOR VEHICLES

Mr. WHITTEN. Doctor, I notice you are asking for 85 automobiles. How many do you have in your Bureau?

Mr. BUTLER. We have 856 passenger motor vehicles.

Mr. WHITTEN. How much mileage and how old are these cars?

Mr. BUTLER. I don't have the detail on them, Mr. Whitten. They are all at least 6 years old, or have about 60,000 or 70,000 miles on them.

Mr. WHITTEN. This is not an increase in number?

Mr. BUTLER. No increase in numbers; no, sir. They are all replacements.

SHORT-TERM RESEARCH COSTS

Mr. ROBERTS. May I reply now in more detail to Mr. Horan's question?

On the research table, table No. 9 that we furnished the committee, the cost of the short-term research in connection with the foot-and-mouth-disease program is included in all of the years shown except 1951 and 1952. It is excluded from those 2 years because we do not forecast in any of our budget schedules the estimated expenditures in the current or future year for the foot-and-mouth-disease program. We have no basis, you see, for computing a figure for the current and future years. But it is in all past year obligations shown on the table.

Mr. WHITTEN. Any further questions?

(No response.)

Mr. WHITTEN. Well, Doctor, you got off light. We are still looking for that place where we can save some money, though.

Dr. SIMMS. I thought you were going to forget that.

THURSDAY, FEBRUARY 15, 1951.

BUREAU OF DAIRY INDUSTRY

WITNESSES

DR. O. E. REED, CHIEF, BUREAU OF DAIRY INDUSTRY
DR. R. E. HODGSON, ASSISTANT CHIEF, BUREAU OF DAIRY INDUSTRY
DR. G. E. HOLM, HEAD, DAIRY PRODUCTS RESEARCH LABORATORIES, BUREAU OF DAIRY INDUSTRY
J. M. KEMPER, ASSISTANT CHIEF, BUREAU OF DAIRY INDUSTRY
JOSEPH C. WHEELER, ASSISTANT DIRECTOR OF FINANCE, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$1,110,500	$1,617,500	$1,589,000
Unobligated balance, estimated savings	−2,792		
Savings under sec. 1214		−27,500	
Obligations incurred	1,107,708	1,590,000	1,589,000
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	467,087		
"Special research fund, Department of Agriculture"	45,418		
Comparative transfer to "Salaries and expenses, Office of Information, Department of Agriculture"	−426	−500	
Total obligations	1,619,787	1,589,500	1,589,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Dairy cattle breeding, feeding, and management	$601,847	$589,675	$589,550
2. Nutrition and physiology	377,704	368,475	368,350
3. Dairy herd improvement investigations	307,284	308,575	308,450
4. Dairy products research	308,790	302,375	302,250
5. Administration and enforcement of the Process Butter Act	24,162	20,400	20,400
Total obligations	1,619,787	1,589,500	1,589,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	323	319	319
Full-time equivalent of all other positions	2	2	2
Average number of all employees	313	315	310
01 Personal services:			
Permanent positions	$1,103,382	$1,125,300	$1,125,400
Part-time and temporary positions	4,987	5,200	5,200
Regular pay in excess of 52-week base	3,900		4,100
Payment above basic rates	10,949	11,600	7,500
Total personal services	1,123,218	1,142,100	1,142,200
Deduct charges for quarters and subsistence	4,193	4,100	4,200
Net personal services	1,119,025	1,138,000	1,138,000
02 Travel	14,360	16,200	16,200
03 Transportation of things	8,977	9,000	9,000
04 Communication services	4,109	5,000	5,000
05 Rents and utility services	21,005	33,200	33,200
06 Printing and reproduction	41,122	42,100	42,100
07 Other contractual services	19,831	15,800	15,800
Services performed by other agencies	96,331	98,600	97,700
08 Supplies and materials	213,181	195,000	194,500
09 Equipment	65,463	35,700	35,700
10 Lands and structures	16,383		
15 Taxes and assessments		900	1,800
Total obligations	1,619,787	1,589,500	1,589,000

Mr. WHITTEN. I would like first to insert page 203 and page 204 of the justifications into the record at this point.

(The material referred to follows:)

PURPOSE STATEMENT

The Bureau of Dairy Industry was established July 1, 1924, pursuant to act of May 29, 1924. Its activities comprise four broad areas of research, as described below, and enforcement of regulations governing the manufacture of process butter.

1. Breeding, feeding, and management of dairy cattle and the interrelationship of conformation, internal anatomy, and mammary development to producing capacity.

2. Determination of the effect of nutrition on growth, health, reproduction and lactation, and the physiological processes affecting the usefulness of dairy cattle, including the vitamin requirements of calves, methods of evaluating forages, effects of renovation and rotations on pasture production, effect of feeding thyroprotein to producing cows, relation of nutrition to sterility, and the usefulness of grass silage in the ration of growing heifers.

3. Compilation and analysis of genealogical and production data on approximately 1,000,000 cows in 40,000 dairy herd improvement association herds to evaluate the genetic make-up of individual animals, particularly sires, in order that the hereditary influence of sires possessing an inheritance for high producing capacity may be disseminated to the general dairy cow population.

4. Determination of the chemical and physical properties of dairy products; the effect of variations in processing and handling; the physiology and taxonomy of the bacteria of importance in dairy products manufacture; and development of new and improved methods of manufacturing milk products and byproducts.

The Bureau of Dairy Industry conducts research in Washington, at 6 field stations, and at 14 State Agricultural Experiment Stations. The staff employed on November 30, 1950 numbered 307, of whom 167 were stationed in the field.

Appropriated funds

Estimated, 1951	$1,589,500
Budget estimate, 1952	1,589,000

Salaries and expenses

Appropriation act, 1951	$1,617,500
Reduction pursuant to sec. 1214	−27,500
Activities transferred in the 1952 estimates to "Salaries and expenses, Office of Information" for distribution of motion pictures	−500
Base for 1952	1,589,500
Budget estimate, 1952	1,589,000
Decrease (due to providing a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation)	−500

Project statement

Project	1950	1951 (estimated)	Decrease (GSA adjustment)	1952 (estimated)
1. Dairy cattle breeding, feeding, and management	$601,847	$589,675	−$125	$589,550
2. Nutrition and physiology	377,704	368,475	−125	368,350
3. Dairy herd improvement investigations	307,284	308,575	−125	308,450
4. Dairy products research	308,790	302,375	−125	302,250
5. Administration and enforcement of the Process Butter Act	24,162	20,400		20,400
Unobligated balance	2,792			
Total available	1,622,579	1,589,500	−500,	1,589,000
Transfers in 1951 estimates from—"Research and Marketing Act of 1946, Department of Agriculture"	−467,087			
"Special research fund, Department of Agriculture"	−45,418			
Transfer in 1952 estimates to "Salaries and expenses, Office of Information, Department of Agriculture"	+426	+500		
Reduction pursuant to sec. 1214		+27,500		
Total appropriation or estimate	1,110,500	1,617,500		

Mr. WHITTEN. Dr. Reed, we are glad to have you and your associates here. We feel that your Bureau, through the years, has done a splendid job. We all know that you never have had all the money that you could have really used well, but such money that we have been able to provide you with you have made good use of.

We will be glad to have your general statement.

GENERAL STATEMENT

Dr. REED. Mr. Chairman, as you know, the Bureau of Dairy Industry is primarily a research organization. Its activities are planned with one major objective in mind—the development and dissemination of information which will improve the efficiency of the dairy industry.

Much of the information developed through the years has been gradually put to use by dairy farmers, dairy processors and manufacturers, and health and welfare leaders. This has been an important factor in bringing the dairy industry to its present state of high efficiency and productivity, and it has given military leaders as well as civilians a better appreciation of the vital role of milk and milk products in the diet.

In these times of great emergency, however, we feel it necessary to adjust our funds and research activities somewhat and to intensify work on projects directly related to the defense effort. To this end a critical review of our program has been made. As a result, we have already made some changes in emphasis. In doing so we have been guided by our experiences in World War II, and by consultation with the Quartermaster Corps of the Army concerning the problem of supplying proper dairy foods for the Armed Forces. We shall continue to strive for additional ways to be of service in the defense effort as specific problems arise.

Undoubtedly, the demand for milk and milk products will increase with higher industrial and military activity. Also, in some instances, milk and milk products will have to be supplied in places far removed from the sources of production, creating new problems of processing, packaging, and transportation associated with new and unusual conditions.

In order to meet the expected demand for milk and milk products, two things will be necessary: (1) Total milk production must be increased, and (2) the total milk supply must be utilized more completely as human food. Our program is in line with these objectives.

DAIRY PRODUCTION RESEARCH

The production of more milk will become increasingly difficult if feed supplies, labor, and equipment are diverted to other uses. Dairy farmers could increase production by following more efficient methods of feeding and management, and by using breeding methods that would increase the inherent milk-producing capacity of their cows. Our research has already provided important and useful information in each of these fields of dairy practice, and it can continue to do so. Moreover, our staff is made up of specialists in these fields whose knowledge of practical problems can be useful in any educational or informational programs. They can also serve in an advisory capacity to other agencies on related problems.

I mention that, Mr.Chairman, to let you know what we did during the last war. We sent out some of our specialists, our scientists, into the field to really do educational and introduction work. We feel that this sort of activity may be necessary again in this emergency. If we have three and a half million boys in the Army, I predict that we will have one of the greatest shortages of milk that we have ever had. Intensive efforts must be put forth to do something about the shortage of milk.

FEEDING AND MANAGEMENT

Research in these fields is under way at Beltsville and at our regional stations. Much of it is in cooperation with other agencies of the Department of Agriculture and with State experiment stations.

The herds at our field stations are used to undertake special studies calling for quick solution, such as the use of surplus or waste products as dairy feeds.

Work on pasture and forage problems will be intensified because the results can be expected to be helpful in the present emergency.

Feeding thyroprotein to milking cows offers possibilities of stepping up milk production. However, we feel that before the feeding of this material is recommended for general use studies should be made to determine the effects of the long-time feeding on the health and reproductive functions of the cows. Our research on these problems—and we have been doing some work on this—will be continued and, if possible, intensified.

DDT and various other new insecticides are being used on crops fed to dairy cows. Work is under way at Beltsville, in cooperation with the Bureau of Entomology and Plant Quarantine, to determine what effects the treated feeds may have on the health of the cows and how to avoid harmful quantities of insecticides in the milk.

Many cows are eliminated from dairy herds at early ages because they fail to breed or reproduce, thus adding to the cost of milk production and decreasing the amount produced. We are cooperating in a regional study to obtain a better understanding of the causes of such failures, in an effort to overcome them.

Mastitis, a disease of the udder, and which is the No. 1 disease troubling the dairyman, and is prevalent in many dairy herds, is a major factor in limiting milk production. We are cooperating with the Bureau of Animal Industry in studies aimed to control this disease through better management practices.

BREEDING RESEARCH

Results of breeding research with dairy cattle accumulate slowly. However, our research to date has demonatrated the value of the proved sire for improving the producing ability of dairy cows.

As a byproduct of the proved-sire breeding research there is available in our various experimental herds a valuable source of good germ plasm. Bulls loaned from these herds for farm use, or for use in artificial breeding organizations, have spread this good germ plasm to many dairy herds. Every effort should be made to maintain these experimental herds to develop ways of obtaining information on how to prove bulls more accurately and to obtain this proof at earlier ages, and at the same time to serve as sources of good germ plasm for improving milk production on the average farm.

During the past 4 years we have been conducting a breeding research program in the north central region, under provisions of the Research and Marketing Act, in which five State experiment stations are cooperating. While the program is relatively new, it is based on a sound plan and each project should eventually become a source from which good germ plasm will be available for improving the herds in that region.

We are also conducting in cooperation with four State experiment stations in the South, under provisions of the Research and Marketing Act, a research program to develop heat-resistant strains of dairy cattle for the South. Heat-resistant Red Sindhi cattle of the Brahman species are being crossed on Jerseys, Brown Swiss, Holsteins, and local Brahman cattle in an effort to combine heat resistance and milking qualities. Unfortunately, only four Red Sindhi animals were available for foundation stock. Consequently, every effort will be made to retain and build on this precious genetic material.

I have brought along a number of pictures which I would like to show you. These cows are the first crosses that we have made between the Jerseys and Red Sindhis. The first three cows that have finished records average around 600 pounds of butterfat on three-time-a-day milking.

This is a picture of one of the sires that we imported from India by way of Guam. The stations that are cooperating with us on this project are Texas and Louisiana. Work is in progress at substations in Louisiana. The Alabama station has also indicated a desire to cooperate in this work. In addition, the Georgia and the South Carolina experiment stations are cooperating.

We are putting forth great efforts now to develop a strain of cattle that are heat-resistant and to some degree disease resistant. We do

know that the Brahman cattle are more or less resistant to the tick, but the tick isn't much of a problem with us any more. We believe that our efforts in developing the heat-resistant breed in the course of the next 10 or 15 years, will result in an accomplishment that we may look upon with pride.

In Louisiana we are crossing the Red Sindhis not only with the Jerseys as we are at Beltsville, but also with Holsteins and Brown Swiss. At the Texas station they are crossing the native Brahman cow that they have there, selected on the basis of milk production, with proved Jersey sires.

On this particular subject of breeding research, we are going to adjust our work as much as we can, but when we lose animals on account of lack of funds, it is impossible to replace them. We just lose vital links in the chain that we can never replace. For this reason we desire to hold this germ plasm together. If we don't hold it together, it costs us time and money, and that means a lot in cattle-breeding research.

We are currently faced with the problem of keeping our projects together and going full tilt with the difficult feed and labor situation. On the farm when the price of feed and labor goes up, the dairyman usually gets an increase in the price for his milk. But with us, because we don't get the income from our production, the increases in the costs of feed and labor and other items must be met with our appropriations.

DAIRY HERD IMPROVEMENT ASSOCIATION PROGRAM

We are cooperating with the extension services in the 48 States to improve the milk production capacity of the Nation's dairy cattle through approximately 2,000 local dairy herd improvement associations. One of the important phases of this program is the indentification and proving of bulls used in DHIA herds. The artificial-breeding associations depend on this program to a considerable extent for information on proved bulls for making selection of sires for their studs.

DAIRY PRODUCTS RESEARCH

The Nation's food supply, particularly protein foods, could be increased considerably by a greater utilization of the nonfat solids of skim milk, buttermilk, and whey. Only 63 percent of the protein in our annual milk supply is being used as food for humans. The Bureau has already made significant contributions to the use of nonfat milk solids for human food. It can continue to be helpful by developing new types of dairy foods, improving methods of manufacturing and processing, and developing methods of incorporating nonfat milk solids in other foods.

Our dairy products research is being conducted with the objective of (1) making better dairy products and improving methods of handling, packaging, and storing them, and (2) converting the byproducts to greater and more efficient uses. Results of such work can be as useful in the present emergency as in peacetime.

As a result of discussions with the Quartermaster Corps of the Army we have arranged to provide advisory service to that agency concerning the use of dairy products for the Armed Forces.

Also, we plan to intensify our research on the following problems, which in the light of our experience in World War II seem to us likely to be of importance in the defense effort:

1. Preparation of special milk drinks for civilians, and especially for the military services.
2. Preparation of frozen fresh milk and frozen concentrated milks.
3. Preparation and packaging of butter oil.
4. Preparation and packaging of high-quality dry milks for military and domestic use.
5. Preparation of dairy spreads for military use.
6. Use of antibiotics and other methods of producing sterilized milks of high quality and good flavor.

Perhaps our best opportunity for turning our time and efforts to defense activities is through this dairy products research.

HOUSING FOR DAIRY LABOR

Mr. WHITTEN. Doctor, have you been able to live with your problem at Beltsville in spite of not having the housing for your help that you would like to have?

Dr. REED. That is still our No. 1 problem. We are continuing to have a large turn-over in our dairy labor due largely to inability to provide nearby living quarters for workers. The last time I talked to the superintendent he was short four men. You see, all of the dairies around here that we compete with for labor have houses and a garden plot, and so forth, and they pay approximately the same amount we do. These people with families just won't work for us and it is very difficult to keep our research going on the right kind of a basis where we have a high turn-over in our help. We are still in need of houses, but we did not ask for them this year. We were advised against it.

Mr. ANDERSEN. In other words, you requested it of the budget, did you not, Doctor?

Dr. REED. Yes, our own budget.

Mr. KEMPER. In our own Department.

Mr. ANDERSEN. That is what I mean.

Dr. REED. It didn't get to the Bureau of the Budget.

Mr. ANDERSEN. Then it didn't get out of the Department?

Dr. REED. That is right.

Mr. ANDERSEN. I don't see how you can operate without at least a few good houses for the top help out there. I know that I couldn't operate my own farm under similar circumstances. I just couldn't keep the men.

Mr. WHITTEN. You have some houses.

Dr. REED. We have houses for a superintendent, a herdsman, an assistant herdsman, and a mechanic. We have a maintenance problem in our laboratories and somebody must be on the job for that.

We have a few workers housed in improvised places over in the woods, the old CCC camp, but you wouldn't call them houses. They are very temporary places. Proper housing is the one big need that we have. We asked last year for money to provide houses for more of our workers. I believe costs have gone up some since then.

Mr. HORAN. Mr. Chairman, what is the chance of getting the cooperation of the Bureau of Agricultural Engineering on this project?

Mr. WHITTEN. What do you mean; on the housing?

Mr. HORAN. Yes. We asked them in connection with rural housing, Dr. Reed, to develop plans that are practical and that a man going out on an FHA loan, can entertain the thought of having a house. A man getting an FHA loan is in a little bit different position than somebody getting a regular housing loan. He is in a little bit different situation from that of a man who works in a factory because his income is ahead of him. His capital investments are on his shoulders. He has to have at least one crop year before he has any income. The factory workers starts in with a steady and fixed income.

We have discussed this matter time and again here and also with Mr. Dillard Lasseter, who has very practical ideas concerning this point, how much of a loan a man going out to a rural farm can shoulder in the shape of housing. It is the old story about the man who put all his capital stock in a cash register and didn't have anything in his store. He failed.

I was just wondering whether one of these houses which we have asked them to develop might not be used to make some sort of a demonstration out there. They have developed plans for very economical houses that they insist are practical. Usually there is one thing that frightens us when you come before us for housing. It is usually something that is pretty expensive, considering the unit size, and so forth. That is just an idea. I would like to see the results of their efforts in connection with what our subcommittee asked them to do 2 years ago, I believe. Was not that the time, Mr. Chairman?

Mr. WHITTEN. I believe it was.

Mr. HORAN. They have developed plans, and they brought them up to show us some of the things that they have developed.

Dr. REED. Our appropriation request last year was based on house plans developed by the housing engineer of Bureau of Plant Industry, Soils, and Agricultural Engineering. We worked with those people and it is their plans that we have been talking about. We used one of their plans for three houses with three bedrooms and another I think for seven houses with two bedrooms. These were one-story houses with no basements and they were very conservative. We figured that we could get at least 10 of them plus the services, and so forth, for $100,000.

Mr. HORAN. That is just about $90,000 more than we asked them to develop the plans for, assuming that the farmer would do some of the work himself. In some cases they provided a room for the bathroom but did not include the utilities in the original construction. the thought being that if a man were a success not only would he be able to repay his loan but later on he could put in his own bathroom fixtures.

Mr. WHEELER. I might point out that regardless of which bureau might propose to actually build the houses, it would be necessary to secure authority because of the limitations on construction of buildings. Last year the estimate provided for both funds and authority.

Mr. HORAN. At $10,000 a unit on the average, while we told them to come through with something that could be started for less than $2,600. They came through with some plans. Now I am not trying to be ridiculous, I am just trying to tell you what the practical application is in another field of appropriations that we have tried to think through.

I have been in the field with Dillar Lasseter, and I have seen some of these state college houses built by state college architects for $10,000 to $12,000. Dillard Lasseter takes one look at them and says, "We haven't money for that sort of loan obligation in our shop." It could break the borrower before he really got started properly.

Then I have seen him take a look at a house with an FHA loan, where the farmer had built his own house and left the walls with perhaps the reinforcing rods sticking out for additional building, and he said, "That is the kind of thing that we can entertain." It is on that basis that we asked the Bureau of Agricultural Engineering to give us some ideas about what we might do with these farm housing funds that we have to administer. We can break a man allowing him to dive into the construction and assumption of a big loan on a house at the same time he was assuming other obligations. We can also wreck the reputation of the Farmers Home Administration. We can wreck the whole faith of the people of America in that sort of thing.

We asked the Agricultural Engineers to come through with some practical, livable homes for less money than that and they have come through with them. They didn't cost $10,000.

Dr. REED. Mr. Horan, I have been looking at these houses. I was recently at Raleigh, N. C. They have a big piece of land there that was recently given to the university, and they built five or six houses. I was tremendously interested in that project. They built houses that cost from $4,000 to $6,000. I asked them to send me the plans for those houses and they did so. We got estimates for their construction around here and those bids ran up to $8,000 and $9,000.

In Louisiana where a new station has been built they have nice houses which would be satisfactory and we would be tickled to death if we could have them here. Of course, they are not quite warm enough for our climate. But at any rate they cost around $4,000. If you put Washington labor to work on them and then consider all of the things that we have to cope with in order to get the contracts out, that just about doubles the cost here in Washington. That is where the trouble comes in. If we can put up houses for $2,000, that will be very satisfactory and I will be all for that. It is one thing to make a deal with farmers and have them do some of their own work and put their families to work on the houses. We have to go out here and contract for nearly every thing we do. The building costs are high around here.

Mr. HORAN. I propose to go into this matter further if we can get the agricultural engineering group up here. I think you need the houses.

Dr. REED. I know we need them. Thank you, sir.

Mr. HORAN. That is true, but they ought not to be $10,000 houses.

EXAMPLE OF RESEARCH PROGRESS

Mr. WHITTEN. I believe I would like to insert into the record at this time the material beginning at the bottom of page 206 through page 209. That will give you an opportunity to show the work that you are doing. We will insert them in the record at this time.

(The material referred to follows:)

STATUS OF PROGRAM

Current activities

The Bureau conducts specialized research pertaining to dairy cattle, milk, and milk products. It cooperates with State and other Federal agencies, and with individuals and organizations in the dairy industry, including processors of milk and milk products. Major phases of the research program include:

1. Research in dairy cattle genetics, including investigations to determine the relative usefulness of various systems of breeding in improving milking, reproductive, and disease-resistant qualities; feeding and management studies; anatomical studies to determine relationships between physical characteristics and milking ability; growth and development studies based on body weight and skeletal measurements; and methods of selecting profitable producers at an early age. Physiological reactions of dairy animals to extreme temperatures are also being determined to aid in improving dairy cattle in the southern sections by breeding.

2. Research in dairy cattle nutrition and physiology to develop methods leading to the economical production of milk. Such research includes the evaluation of feeds and feeding regimes, the nutritional requirements of cattle, feeding procedures and other factors affecting the milk-producing capacity of dairy cows, and of the nutritional value of milk as well as the relation of the nutrition of the cow to the nutritive qualities of the milk produced.

3. Research in the basic principles of sanitary milk production and handling to preserve the palatability and nutritive and sanitary qualities of milk and to improve the quality and reduce the cost of manufacture of dairy products; to develop the domestic manufacture of dairy products; and to increase the utilization of milk products and byproducts in foods.

The Bureau also demonstrates at regional dairy experiment stations the dairy practices applicable to such regions, and conducts a national dairy-herd improvement program in cooperation with the State extension services to improve the producing efficiency of dairy cows by applying the results of research in dairy-cattle breeding, feeding, and management. The average production of the million cows in Dairy Herd Improvement Association herds is approximately double the average production of all cows in the national dairy herd. Among the projects now being conducted, the following are selected as typical:

1. Evaluation of outbreeding, inbreeding of various intensities, proved sire breeding, and cross-breeding in improving the milk-producing qualities of dairy cattle.

2. Determinations of the reactions of dairy animals to heat stress and causes of severe declines in milk production.

3. Experiments to conserve grain through a more extensive use of grass silage in rearing heifers and for milk production.

4. Studies of the fundamental causes of sterility in dairy cattle.

5. The effect of feeding thyroprotein on milk production, reproduction and length of the productive life of dairy cows.

6. To determine the cause for and to develop means of preventing the development of the common defects in body, color, and flavor in stored condensed and evaporated milks.

7. Development of methods of processing and determination of the conditions of handling and storing normal and concentrated milks in liquid or frozen condition.

8. Development of methods for the manufacture of foreign-type cheeses, i. e., Swiss, Roquefort, brick, and Italian types, especially from pasteurized milk.

9. Development of new forms of and new uses for milk byproducts in ice cream, sherbets, and bakery products.

Selected examples of recent progress

1. Preliminary experiments on the mechanics of heat regulation in dairy cattle indicate that the immediate cause of lowered milk production under heat conditions is reduced feed intake. Work now in progress is designed to find reasons for this reduced feed consumption and to develop information useful in the selection and breeding of heat resistant dairy animals.

2. When reared under identical conditions, the growth rate of Red Sindhi-Jersey crosses has been about 10 percent greater than that of purebred Jerseys even though the average weight of the Red Sindhi is somewhat less than that of the Jersey.

3. Penicillin was found to be approximately 10 percent more effective than streptomycin or preparations containing both penicillin and streptomycin in eliminating mastitis producing organisms from the udders of cows in the Bureau of Dairy Industry herd.

4. The butterfat test of Holstein cows in the Beltsville herd was increased by using sires transmitting high test factors. Without culling low testing females, but with controlled environmental conditions, the test has been increased from 3.5 percent to approximately 3.9 percent.

5. Heifers raised on rations supplying only 70 percent of the accepted standards of total digestible nutrients, and subsequently put on full feed after calving, are producing satisfactorily. This would suggest that heifers can be reared satisfactorily at a lower feed cost than is possible through the use of generally recommended feeding standards.

6. In an attempt to assess possible long-time deleterious effects induced by feeding thyroprotein to dairy cattle to stimulate milk production, periodic electrocardiograms were obtained. Evidences of heart abnormalities were not constant and do not appear to affect the general health of cattle fed thyroprotein.

7. Wilted alfalfa silage is equal in feeding value to alfalfa hay for dairy heifers up to 8 months of age if supplemented with from 500 to 550 pounds of grain. If the grain ration is reduced to 400 pounds or less, growing heifers do not grow as well on alfalfa silage as on alfalfa hay, which indicates the importance of maintaining adequate grain feeding and energy consumption for growing heifers, particularly where the main roughage is in the form of alfalfa silage.

8. A quantitative method based on measurements of the epiphyseal cartilage as shown on X-ray pictures has been developed for assay of vitamin D in calves, making possible a more accurate appraisal of the antirachitic properties of various forages and the vitamin D requirements of calves.

9. Crushing hay, as it is cut, shortens the field curing period and increases the carotene and protein content, and does not cause greater nutrient losses.

10. The use of sulfur dioxide did not decrease top spoilage in the silo, but treatments throughout the silo while filling produced silage with a considerably higher carotene content than untreated silage. Alfalfa hay treated with sulfur dioxide during barn drying was preserved with 5 percent more dry matter and about 20 percent more carotene than untreated hay. These results indicate that nutrient losses during harvesting of forage crops may be reduced by the use of this material. Sulfur dioxide treatment is not proposed, however, as a substitute for good field-curing practices.

11. Fuller knowledge of the nutritional value of feeds is limited by the difficult procedures used in determining digestibility. Simplified procedures have been developed for the determination of digestibility which are less time-consuming and costly and which give comparable results to standard techniques.

12. 4,335 sires were proved in dairy herd improvement associations in 1949. Their daughters produced an average of 9,761 pounds of milk and 397 pounds of butterfat as compared to 9,607 and 391 pounds of milk and butterfat, respectively, in 1948. 27.9 percent of all sires proved during 1949 had daughters whose average butterfat production exceeded 425 pounds.

13. 2,104 sires were used in artificial breeding associations, of which 36.1 percent had 5 or more daughters with DHIA production records. The daughters produced an average of 436 pounds of butterfat.

14. Lipases cause the development of rancidity in milk products and also in fats and oils. This enzyme must be destroyed by heat, but studies of such destruction are dependent upon quantitative methods for estimating the lipase content. A colorimetric method has now been developed which will detect 1 pound of raw milk in 2,500 pounds of heated milk.

15. Lactose causes sandiness in ice cream. A lactase enzyme overcomes this sandiness by reducing the lactose. This permits the use in ice cream mixes of larger quantities of milk solids not fat, which are in large supply. A procedure has been developed to measure the lactase enzyme activity.

16. Sweet-cream buttermilk will improve the flavor and texture of ice cream as well as the apparent richness of the product. Buttermilk can be prepared, stored, and utilized in a sweetened condensed form.

17. Whey in liquid or dried form when used in sweet bakery goods prolongs the shelf life of cakes, cookies, etc., and produces a tender cakelike texture. The greater utilization in bakery goods and other foods would aid in solving the serious problem of whey disposal.

18. Whey proteins may be processed with the use of enzymes to form a product suitable for use in the manufacture of spreads and other food products, thereby, avoiding waste of the material.

19. If antibiotics are used to treat mastitic cows, the milk from at least three to four milkings following treatment should be discarded. The antibiotic action of such milk inhibits the bacterial action required in the manufacture of cheese.

20. The phosphatase test for determining the adequacy of pasteurization of milk used in manufacturing dairy products has been improved and adapted for use in determining whether alfalfa hay was field or artifically dried. Since there is an inverse relationship between the carotene and phosphatase content when these methods are used, the test can be used as an indication of the feeding value of hays with respect to their vitamin A content.

Receipts from sales of dairy products and animals (deposited in miscellaneous receipts of the Treasury)

Fiscal year:	Receipts
1946	$141,451
1947	157,802
1948	149,082
1949	128,328
1950	109,913

RMA DAIRY ADVISORY COMMITTEE ACTIVITIES

Mr. WHITTEN. Now you have only one project that you are carrying on from funds of Research and Marketing Act. I believe they are title II funds, title I funds having been combined with your other funds. Now, what chance do you give these commodity committees interested in dairy research to review the work that you are doing and to counsel with you as to what is worth carrying on, what should be modified or changed, or what you should do in new fields.

Dr. REED. We always have worked with the commodity committees since they were organized. Dr. Cardon has been working with them a great deal. This year the Dairy Advisory Committee held a 3-day meeting here, instead of just a meeting of 1 day or a day and a half. We gave them everything that we had, and we told them about our program. We reviewed most of our projects, and we gave them a complete history of the projects. We discussed those with them for 1 day in the office. Then the next day we took them out to Beltsville and we stayed the entire day. Not only did we discuss the regular work at Beltsville but we also discussed the regional breeding RMA projects, No. VI and No. VIII. One is the program in the South with the heat-resistant cattle and the other is with the north-central experiment stations. We discussed the whole program, and then we came back to Washington and had a meeting with them at the Dairy Products Laboratory to show them what we were doing there.

From what they told us then and from what they have written to us since, they were very highly pleased with what we were doing. They have made certain recommendations which we have tried to follow. They have made recommendations heretofore and they were checking up on these recommendations this year.

Mr. WHITTEN. I am glad to hear you say that, because it gives us a chance to bring you folks in the scientific end together with the folks outside of Government. Heretofore we have been carrying on your regular research, and then on the other hand we have tried to add special projects which were selected through this commodity committee set-up. Last year we put the money together in the hope that we would have a joint program, not that we are asking you to let your Bureau be run by outside interests. But we do feel that receiving counsel and advice on your program will be helpful to you as well as to them. I am glad to hear you say that.

Dr. REED. We are very happy about the situation. We have had a splendid committee and we have received wonderful cooperation from them. As I say, we told them everything that we were doing and we took their counsel and advice into consideration. We are very happy with our committee.

ADJUSTMENT IN RESEARCH TO DEFENSE PROBLEMS

Mr. WHITTEN. You plan to operate next year, so far as your budget submission is concerned, at about the same rate you have this year?

Dr. REED. We hope so.

Mr. HORAN. I am happy to note that you emphasized the fact that you are trying to gear your activities to the defense efforts. We are asked to do that on every hand by everybody. I was wondering what fields of endeavor you are abandoning in order to gear yourselves to the defense effort.

Dr. REED. We have made a critical study of our program, and what we are doing in that particular phase is this: We believe that we can do most good perhaps with our dairy-products research. Dr. Holm, who is in charge of that laboratory, has arranged to spend more of the time and efforts of his personnel and funds on some of these projects that are more important to the defense effort, and let some of the others drift along.

Dr. Holm, you can explain just what projects those are.

Dr. HOLM. We have shifted the emphasis in our work to defense problems, dropping some of the projects which naturally would be more academic in nature and going over to practical problems. I will give you just two examples.

For instance, in our work on cheese, our experience during the last war was that they wanted Cheddar cheese of No. 1 quality. Now, one of the problems in the cheese industry today centers around personnel. We think that through a new method of making Cheddar cheese we can assist the labor situation, so we are switching some of the efforts on Swiss cheese over to emphasis on methods of making Cheddar cheese, which we know the industry is going to want. That is just one example.

In the case of dried milk, we know that there are some problems in the packaging, problems that came up during the last war that were never settled. We were doing some fundamental work on fats studies; purely chemical studies, you might say. We dropped that work and are pursuing work on packaging, information on which is going to be needed.

Those are two examples of how we have shifted the personnel's work, dropped projects and taken on other projects.

Mr. HORAN. What materials do you use in your packaging work?

Dr. HOLM. Are you thinking of the tin situation now?

Mr. HORAN. Yes.

Dr. HOLM. During the first part of the last war you may remember that there was some difficulty with new tinning by an electrolytic method. The plate was pretty thin and it wasn't entirely satisfactory. They finally went to the authorities in control of that, and were allowed a heavier tin coating.

Now we have been interested in that because on the inside of cans you have to have a certain weight of tin, while on the outside it is not so important.

I might mention that we may have to take up some work that we did years ago on resins and plastics from lactic acid. We can produce lactic acid from whey and from the lactic acid we can produce a lacquer. That type of lacquer very nearly came into production during the last war to serve as a substitute for tin. We showed that it could be used even on evaporated-milk cans. It could be used on milk cans if they ran short of tin.

We have already received a call from the Surgeon General's office on this problem and there is a possibility that this lacquer will find use in lieu of tin in some places.

Mr. HORAN. How does your work coordinate with the work being done by the regional laboratories?

Dr. HOLM. There is only one regional laboratory, I believe, that deals very much in dairy products. We have a cooperative set-up with them, and we get together with them, meeting at least once a year, to discuss the work. They also are interested in lactic acid, resins, and so forth. We felt that they were in a better position to do some of that work than we were, so we discontinued practically all of this type of work.

DAIRY LABOR SITUATION

Mr. HORAN. I assume that your difficulty in maintaining milkers and dairy workers does result in the loss of money.

Dr. REED. Oh, yes. The worst part is the effect on experimental data, you know.

As Mr. Andersen knows, and as anyone who runs a dairy farm knows, a cow does her best if she has one man milking her. We must operate on a 5-day week. But the cows milk 7 days a week. We are obliged to have three different men milking each cow every week. Now, with the labor situation as it is—and we are changing labor all the time—the condition is sometimes worse than that. We have plenty of records that indicate that one man is a better milker than another. We are not getting the results that we ought to get. Of course we are controlling this some by machine milking, but we have difficulty in getting good machine operators.

Mr. WHITTEN. There are a lot of folks that have quit work, aren't there?

Dr. REED. Yes; unfortunately that is right.

Mr. ANDERSEN. Have you consulted with the legislative committee on agriculture on this particular problem, Dr. Reed? I refer to how the 40-hour week affects your institution?

Dr. REED. We brought it up at the time we went on the 40-hour week but received no consideration.

Mr. ANDERSEN. Don't you think it would be your business to ask them to look into a possible exemption for you in this particular field? I believe we could get that through the Congress.

Mr. KEMPER. I believe the Department would have to bring that up. I don't believe we could.

Mr. ANDERSEN. That is right. When I say "you" I mean the Department.

Dr. REED. I appreciate that.

Mr. ANDERSEN. I do believe that something should be done toward correcting that situation.

Mr. WHITTEN. Either that or you should start research to develop a breed of cattle that will milk just 5 days a week.

Mr. KEMPER. Of course, the milkers themselves would rather work the other days and get the increased pay. They would much rather work the longer week. The paid overtime at Beltsville last year was $10,000.

Mr. WHITTEN. How much did you say the overtime was?

Mr. KEMPER. $10,000.

Mr. WHITTEN. We thank you very much, Dr. Reed. We have been glad to have you gentlemen with us.

BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

WITNESSES

DR. G. E. HILBERT, CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

C. F. SPEH, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

DR. G. W. IRVING, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

DR. J. R. MATCHETT, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

DR. W. M. SCOTT, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

H. A. DONOVAN, ASSISTANT CHIEF, BUREAU OF AGRICULTURAL AND INDUSTRIAL CHEMISTRY

JOSEPH C. WHEELER, ASSISTANT DIRECTOR OF FINANCE, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$5,695,225	$7,960,000	$7,967,000
Transferred from "Operating expenses, National Institutes of Health, Public Health Service, Federal Security Agency," pursuant to Public Law 759		140,000	
Adjusted appropriation or estimate	5,695,225	8,100,000	7,967,000
Unobligated balance, estimated savings	−94,764		
Savings under sec. 1214		130,000	
Obligations incurred	5,600,461	7,970,000	7,967,000
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	2,563,971		
"Special research fund, Department of Agriculture"	54,378		
Total obligations	8,218,810	7,970,000	7,967,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Cereal and forage crops utilization investigations	$1,283,242	$1,339,168	$1,338,661
2. Cotton and other fiber crops utilization investigations	1,299,230	1,225,213	1,224,727
3. Fruit and vegetable utilization investigations	2,221,187	2,125,463	2,124,668
4. Oilseed utilization investigations	1,184,155	1,151,014	1,150,585
5. Sugar and special plants utilization investigations (including pine gum, tobacco, tanning materials, wild plants, etc.)	753,348	781,404	781,113
6. Poultry, dairy, and animal products utilization investigations	1,186,579	1,086,310	1,085,911
7. Agricultural residues utilization investigations	291,069	261,428	261,335
Total obligations	8,218,810	7,970,000	7,967,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	1,598	1,503	1,503
Full-time equivalent of all other positions	43	23	12
Average number of all employees	1,552	1,482	1,486
01 Personal services:			
Permanent positions	$6,028,239	$6,075,129	$6,143,675
Part-time and temporary positions	114,407	51,788	41,009
Regular pay in excess of 52-week base	22,205		24,254
Payment above basic rates	15,466	15,900	15,725
Total personal services	6,180,317	6,142,817	6,224,663
Deduct charges for quarters and subsistence	324	324	324
Net personal services	6,179,993	6,142,493	6,224,339
02 Travel	129,152	124,500	124,500
03 Transportation of things	30,157	39,800	35,850
04 Communication services	39,759	40,050	38,150
05 Rents and utility services	145,772	151,500	152,050
06 Printing and reproduction	18,745	28,178	26,932
07 Other contractual services	629,994	606,293	595,575
Services performed by other agencies	682		
08 Supplies and materials	569,655	506,036	486,700
09 Equipment	443,121	319,950	263,404
10 Lands and structures	31,525	7,000	11,500
13 Refunds, awards, and indemnities	255		
15 Taxes and assessments		4,200	8,000
Total obligations	8,218,810	7,970,000	7,967,000

Mr. WHITTEN. We come now to the Bureau of Agricultural and Industrial Chemistry. Dr. Hilbert, we are glad to have you and your associates here. In connection with your general statement, I would like to have pages 211, 212, and 213 of the justifications included in the record at this point.

(The material referred to follows:)

PURPOSE STATEMENT

The Bureau of Agricultural and Industrial Chemistry as now constituted was established in 1943, continuing research work conducted for many years by predecessor organizations. A Bureau of Chemistry existed in 1901 and the Congress had appropriated funds for chemical analyses of agricultural products as early as 1848.

The Bureau conducts investigations and experiments in the fields of chemistry and related physical sciences, technology, and chemical engineering on problems related to the conservation and industrial utilization of agricultural commodities, residues, and byproducts in foods, feeds, drugs, and nonedible products.

Four regional research laboratories, one in each of the major farm producing areas, provide facilities for investigations to develop new and expanded industrial and food uses for the principal farm commodities of their respective regions:

Southern Laboratory, New Orleans, La.: Cotton, peanuts, and other oil seeds, and sweetpotatoes.

Western Laboratory, Albany, Calif.: Fruits, vegetables, poultry products, alfalfa, and wheat.

Eastern Laboratory, Wyndmoor, Pa.: Apples and other fruits, potatoes and other vegetables, tobacco, milk products, animal skins, hides, and tanning materials, animal fats and oils.

Northern Laboratory, Peoria, Ill.: Corn, wheat, and other cereals, such as oats, rye and barley, soybeans and other oilseeds, and agricultural residues.

This decentralized operation also facilitates contact with food processors and other industry groups. In 10 smaller field stations of the Bureau applied research is being directed toward the problems of processing and utilizing the products and byproducts of pine gum, tung nuts, sugar plants, citrus and other fruits, and vegetables. Fundamental research is conducted on the nature and control of enzyme action, on the toxic and other physiological effects of substances that might be considered for medicinal uses or that contaminate or exist in foods and feeds, and on substances that exhibit special biological activity in or toward plants.

Employment as of November 30, 1950, was 1,427, of which 64 were in the headquarters office in Washington, and the balance in the field.

Appropriated funds

Estimated, 1951	$7,970,000
Budget estimate, 1952	7,967,000

Salaries and expenses

Appropriation act, 1951	7,960,000
Reduction pursuant to sec. 1214	−130,000
Activities transferred in the 1952 estimates from "National Institutes of Health, Public Health Service, Federal Security Agency" for cortisone investigations	+140,000
Base for 1952	7,970,000
Budget estimate, 1952	7,967,000
Decrease (due to providing a direct appropriation to the General Services Administration for certain procurement costs previously paid from this appropriation)	−3,000

Project statement

Project	1950	1951 (estimated)	Decrease (GSA adjustment)	1952 (estimated)
1. Cereal and forage crops utilization investigations	$1,283,242	$1,339,168	−$507	$1,338,661
2. Cotton and other fiber crops utilization investigations	1,209,230	1,225,213	−486	1,224,727
3. Fruit and vegetable utilization investigations	2,221,187	2,125,463	−795	2,124,668
4. Oilseed utilization investigations	1,184,155	1,151,014	−429	1,150,585
5. Sugar and special plants utilization investigations (including pine gum, tobacco, tanning materials, wild plants, etc.)	753,348	781,404	−291	781,113
6. Poultry, dairy and animal products utilization investigations	1,186,579	1,086,310	−399	1,085,911
7. Agricultural residues utilization investigations	291,069	261,428	−93	261,335
Unobligated balance	94,764			
Total available	8,313,574	7,970,000	−3,000	7,967,000
Transfers in 1951 estimates from: "Research and Marketing Act, Department of Agriculture"	−2,563,971			
"Special research fund, Department of Agriculture"	−54,378			
Transfer in 1952 estimates from "National Institutes of Health, Public Health Service, Federal Security Agency"		−140,000		
Reduction pursuant to sec. 1214		+130,000		
Total appropriation or estimate	5,695,225	7,960,000		

General Statement

Mr. Whitten. Dr. Hilbert, we will be glad to have your general statement.

Dr. Hilbert. Thank you, Mr. Chairman.

This statement concerns the accomplishments and activities of the Bureau during the past year and includes a report on steps taken preparatory to embarking upon a defense program.

As in previous years, the work of the Bureau of Agricultural and Industrial Chemistry—in applying chemical, physical, biological, and engineering science and technology to agricultural problems—has resulted in the development of new and improved food, feed, and industrial uses for farm commodities. The year has also seen an expansion in the use made by industry of Bureau findings and developments.

EXAMPLES OF RECENT WORK

Among the items which have reached the industrial stage or are being evaluated by industry are:

Froth-flotation cleaning of whole kernel corn to remove damaged kernels, corn earworms, and other foreign matter is a new development based on a previous one. Our froth-flotation process for cleaning peas, which was later adapted to lima and soybeans, has now been adapted for use with cut sweet corn and is in commercial use for this purpose in several canning plants.

Canned dates are a new food product now on the market. To extend the marketing season of domestic dates and to eliminate the losses which now result when dates are packaged by the usual methods, the Bureau developed a procedure for canning dates. This process, after a thorough test, has recently been put into commercial operation.

Starch sponge may soon be available to hospitals as a hemostatic agent. We have previously referred to the development of an absorbable starch sponge which might have possible use in surgery. This has now undergone extensive clinical evaluation by physicians. Interest in this product on the part of pharmaceutical manufacturers has increased recently to the extent that they are having tests made and are engaged in designing commercial plants for starch-sponge production.

Alfalfa drying is another field in which improvement has been made. In our efforts to stabilize the carotene content of alfalfa, the Bureau studied the use of an antioxidant oil spray on this important forage crop. We do not yet have the final answer on carotene preservation. However, an interesting contribution to alfalfa dehydration has already resulted from this work. It has demonstrated the value of using an oil spray to keep down dust during alfalfa-dehydration operations. This has marked advantages from the health and fire-hazard standpoints, and the oil-spray procedure is being rapidly adopted by alfalfa dehydrators.

GLASS COLOR STANDARDS FOR MAPLE SIRUP

Glass color standards for maple sirup are now in use as a result of Bureau research in cooperation with the Production and Marketing Administration and maple producers. In response to a request by the maple sirup industry, the Bureau developed permanent glass color

standards to replace the unstable liquid standards previously used. The new standards are being adopted by the industry, and are in wide use in the States where maple products are produced. At least 250 sets of these glass color standards have been sold to date by the manufacturer.

A novel cotton opener provides the best means yet available to help in cleaning mechanically harvested cotton, which usually has a high trash content. Within the past year almost 100 industrial textile organizations have obtained full engineering details and specifications from the Bureau. Several equipment manufacturers have applied for licenses to produce the machine in accordance with the specifications in the public-service patent. At least two concerns have begun construction of these devices.

The water-soluble cotton fiber, mentioned last year, has recently found potential new fields of usefulness. A manufacturer of men's shirts is evaluating on a semicommercial scale the use of water-soluble cotton sewing thread to avoid wrinkling the collars in making shrinkproof cotton shirts. In the meat-packing industry, tests of the soluble cotton thread are being made on a machine for producing skinless frankfurters.

TREATMENT DEVELOPED FOR COTTON FABRICS

A simple soil-resistant treatment that makes cotton fabrics harder to soil and easier to launder has been developed under a research contract sponsored by the Bureau. The process consists of adding a small amount of a commercial compound, carboxymethyl cellulose, to the final rinse water each time cotton goods are washed. The announcement of this discovery resulted in the receipt of nearly 2,000 letters of inquiry from interested firms and individuals. The CMC treatment has been successfully applied in several commercial laundries.

The special attachment for standard cotton looms to permit the weaving of high-density fabrics which has been mentioned in previous hearings was simplified during the past year and improved mechanically for use in textile mills. This attachment makes it possible to weave denser cotton goods which are particularly suitable for use where wind and water resistance are important factors—for example, in outer garments, tentage, and tarpaulins. The perfection of this device is timely in view of the importance of such fabrics for military use. Arrangements have been made for outdoor testing of field tarpaulins made from high-pickage cotton fabric, and journal-box dust guards of this fabric are being evaluated by the Association of American Railroads.

DEVELOPMENT OF A FROZEN APPLE JUICE CONCENTRATE

In cooperation with the Washington State Apple Commission and the Bureau of Agricultural Economics, studies have been carried out which indicate that commercially acceptable frozen apple juice concentrate can be prepared from raw materials containing over 50 percent of the delicious variety. Actual market testing of the product is being initiated. In the east, cooperative studies with an apple juice processor have led to the development of a full-flavored frozen apple juice concentrate, which is now being marketed.

Calcium-carbonate starch is aiding candy manufacture. Starch has long been used as a molding medium for casting a wide variety of candies. However, candy makers have had difficulty in keeping the starch sanitary, and in addition the use of starch presents a serious explosion hazard in candy plants. Our study has demonstrated the feasibility of using a mixture of food-grade calcium carbonate and starch in place of starch alone. The Food and Drug Administration has indicated no objections to the use of calcium carbonate in the amounts required. This development means improved sanitary conditions, a reduction in explosion hazards, and also lower insurance rates for candy manufacturers. The widespread interest in the candy industry would indicate an early general acceptance of this process.

Vitamin B_{12}, or the animal protein factor, is an essential ingredient of mixed feeds. A number of organisms suitable for production of B_{12} were discovered and optimum conditions of production were determined. The Bureau has furnished a microorganism and fermentation procedure which are the basis for commercial production of this vitamin from molasses at a plant on the west coast.

The Bureau's process for producing vitamin B_2, or riboflavin, by a yeastlike organism is being used extensively by industry. Agricultural products provide the ingredients from which the vitamin is manufactured and include such substances as corn sugar, corn steep liquor, animal stick liquor, and grain residues from the production of alcohol.

Development and evaluation studies on cottonseed meal of improved nutritive value are being continued in cooperation with industry. As a result of this work, meal can now be produced in screw presses that has greater nutritive value and can be fed as a relatively large proportion of the diets of swine and poultry as well as of cattle. Several companies are making cottonseed meal on a large experimental scale using the Bureau-developed process to supply the necessary amounts for large-scale feeding evaluation tests by both Fedreal and State organizations.

Spoilage of cottonseed oil and other vegetable oils can be effectively retarded by the naturally occurring product, conidendrol. As a result of the pioneering studies of the Bureau, this compound is now being produced semicommercially from the by products of the manufacture of pulp from western hemlock for use in the stabilization of vegetable oils.

Strongly flavored, low-grade honey has been given new market possibilities. Finding satisfactory market outlets for certain strongly flavored honeys has been a problem of honey producers for many years. The Bureau has now developed a process whereby strong and objectional flavors can be removed from honey, leaving a mild-flavored product, or, if desired, a product that is completely deflavored. The method is easy to use and should be of interest to cooperatives.

Last year, reference was made to a Bureau method for the production of a high-flavored maple sirup for blending which has a four-to-sixfold increase in maple flavor. At least one State farm bureau cooperative and a large maple grower are producing this new product. In addition, at least five companies have indicated plans to enter the field.

The prepeeling of potatoes is a rapidly expanding industry. Increased consumption of potatoes should result from availability

of this vegetable in ready-to-cook form. The Bureau has contributed significantly to solving the critical problem of discoloration at the cut surfaces and has been of material assistance to the potato-processing industry through the preparation of a handbook which has been used widely.

Poultry feather meal for farm and industrial use is now available as the result of an economical process developed by the Bureau in cooperation with industry. This process involves the use of steam to reduce the bulky feathers to a state in which they can be ground into a conveniently usable meal. It permits feathers, which constitute a troublesome disposal problem in the poultry-processing industry, to be utilized effectively as fertilizer, and opens new possibilities for their industrial use.

A more precise method for the color grading of vegetable oils, a joint industry-Bureau development, is proving of great value to the vegetable-oil industry. This rapid and reliable method of color grading has been adopted as official by the American Oil Chemists Society, and is replacing the old standard industrial method.

COMMERCIAL PRODUCTION OF TEXTILE FIBERS FROM CORN PROTEINS

The new textile fiber from corn protein, zein, has achieved large-scale commercial success. Previous reference to this zein fiber has been largely concerned with its development and evaluation. The product is now being produced commercially at an estimated rate of over 4,000,000 pounds per year and goes into a variety of goods produced by several clothing and fabric manufacturers.

Waxing of berry hallocks has proved helpful to berry producers. Last year it was stated that one company had adopted the Bureau's development to reduce mold contamination of berries and attendant losses by waxing the baskets used in transporting berries to the processing plants. The satisfactory experience of this one concern has induced at least four others to use the wax process.

A new resin-acid derivative, malopimaric acid, developed by the Bureau, is expected to be in commercial production soon. This is a product obtained by the chemical treatment of cleaned pine gum. More than 200 concerns have requested samples for evaluation, and plans are now under way to manufacture it on a substantial scale. It has been shown to be of value in the production of various dyestuffs and as a special ingredient in plastic materials.

Fungal amylase, a mold preparation for converting starch to sugars in the production of alcohol by the fermentation of grain, has been used successfully in a commercial plant. The use of this material, which was developed by the Bureau as a replacement for malt, results in a saving in production cost of 3 to 5 cents per wine gallon of alcohol. In commercial plant runs involving preparation of 100,000 gallons of the mold liquor and its use on approximately 20,000 bushels of corn, yields of alcohol were equal to or slightly in excess of those usually obtained with barley malt. The company that made these plant-scale trials is now installing the process for use in its entire operation, involving approximately 4,000,000 bushels of grain annually.

Boxboard from wheat straw that performs as well as low-grade wood veneer in wire-bound shipping containers has been developed

in a cooperative experimental program with industry. The board-manufacturing process was developed by the Bureau. Performance tests on about 300 boxes made from this straw boxboard were conducted by the Industries Packaging Research Laboratory.

UTILIZATION OF PEAR CANNERY WASTE

Continuation of the Bureau's multiple attack on the problem of converting pear-cannery waste from an acute disposal problem to an asset has resulted in substantial progress during the past year. In Oregon, the Bureau worked with a farmer cooperative in packing over 1,400 cases of pears in sirup prepared from juice pressed from the waste. This pilot-scale operation disclosed no serious difficulty either in recovery or utilization of the product and indicated a substantial return should be had for the waste. In California, cooperative research with an organization of canners demonstrated on an increased scale the feasibility of process for manufacture of sirup and dry pomace from the waste. The products find use in fermentation and as feed. An important achievement was the development of a press which shows promise for manufacture of fruit juices as well as for treatment of waste. The Bureau is cooperating with the canners' organization in planning a plant to process 100 tons of waste per day for next season's operations.

In cooperation with the Bureau of Dairy Industry, a process has been developed for the production of a dry one-to-one mixture of honey and skim milk. This product is undergoing commercial evaluation by the baking industry and is now of great interest as a base for a new type of confection for military rations.

The developments I have mentioned are chiefly those of most immediate practical value. To conserve time, no mention has been made of the results obtained in the Bureau's long-term program of fundamental or fact-finding research. However, it should be emphasized that this type of research is essential to develop the basic information needed for successful applied research.

COOPERATION WITH STATE AGRICULTURAL EXPERIMENT STATIONS AND INDUSTRY

We have continued to place great emphasis on cooperation during the past year and have expanded our contacts and cooperation with State agricultural experiment stations, farm groups, and industry.

As you know, a memorandum of understanding to facilitate cooperation exists between each regional research laboratory and the State experiment stations in its region. This year the Bureau again provided the directors of the stations with a comprehensive statement on the work under way in the Bureau and discussed with them, at joint regional meetings, problems of mutual interest. In addition, conferences were held at each of the regional laboratories with collaborators from the experiment stations to exchange information on specific commodities. An indication of the extent of the contacts with the State experiment stations can be obtained from the fact that during the 6 months from June 1 to December 1, 1950, members of the Bureau staff made about 60 visits to experiment stations.

To implement its cooperative effort, the Bureau has in effect 87 cooperative agreements and memoranda of understanding, of which

30 are with State agricultural experiment stations and universities, 39 with farmer and processor associations, industrial firms, and industrial research organizations, and 18 with other units of the Department of Agriculture and other agencies of the Federal Government. The Bureau also had 20 informal arrangemnts on specific projects with private concerns.

The increasing cooperation between the Bureau and farm and industrial groups is evidenced by the existence of approximately 40 informal commodity research committees. These committees are established and members selected by regional or national commodity organizations. They visit the laboratories, usually each year, to discuss technical problems of direct concern to them and offer counsel on our research program. The help of these committees has been invaluable to the Bureau in developing a dynamic program and in focusing attention on the most urgent problems.

DISSEMINATION OF RESEARCH RESULTS

Results of Bureau research have been made available to the public through various channels: Government publications, press releases, articles in agricultural, industrial, and scientific journals, Government-controlled patents, exhibits at meetings of scientific, farm, and industrial organizations, by personal contact, and by commodity conferences held at the regional laboratories.

During the calendar year 1950, approximately 390 publications were issued, of which 325 were technical or semitechnical in nature and 65 were popular articles.

Much technical information was disseminated by personal contact. For example, more than 4,000 technical visitors were received during 1950 at the regional research laboratories and field stations of the Bureau. In addition, 29 commodity conferences were held at the laboratories with a combined attendance of more than 700 persons.

The Bureau continues to prepare a large number of patents on the results of its research. During the calendar year 1950, 93 public-service patents were issued on the Bureau's work and assigned to the United States as represented by the Secretary of Agriculture. This was a total of 22 more than were granted in 1949. Also during 1950 we filed 105 patent applications. As of December 31, 1950, 353 applications awaited final action. I have here a list of the patents issued on the Bureau's work during the calendar year 1950.

Mr. WHITTEN. Doctor, I think that I am going to ask that those patents be inserted into the record. From time to time we have had questions as to the work of the Department. We, in turn, feel that all of this work is of no value unless it is made available. These patents show that the research has been made available. According to my recollection, any patent that you secure is available to any user that might wish to avail himself of it.

Dr. HILBERT. That is correct.

Mr. WHITTEN. I am going to ask that these pages be inserted in the record.

Mr. HORAN. Shouldn't the heading say that they are public-service patents?

Mr. WHITTEN. I would like you to insert a short statement showing that they are for the use of the public and other appropriate agencies.

Dr. HILBERT. We will include that in the record.
(The statement and list of letters patent referred to follow:)

All patents issued to the Bureau are made available to the public. Patents issued as a result of the work of the Bureau's employees may be dedicated to the public, or they may be assigned to the Secretary of Agriculture, who issues licenses without charge for their use to anyone who desires to utilize the patent. Either plan assures free use by the public, but the latter plan, which is followed by the Bureau, affords a means for the Department to be informed as to the use being made of these patents.

United States letters patent issued to Bureau of Agricultural and Industrial Chemistry, calendar year 1950

Patent	Patent No.	Date of issue
Prevention of degradation of textile fibers by acids	2,493,031	Jan. 3, 1950
Vacuum drier with automatic capping device	2,494,541	Jan. 17, 1950
Cold-setting resorcinol glue composition and process of preparation	2,494,537	Do.
Paint compositions from catalytically conjugated oils	2,494,565	Do.
Pyrolysis of C-acetoxy aliphatic amides to acrylamides	2,494,583	Do.
Vegetable gel	2,495,706	Jan. 31, 1950
Alcohol derivatives of subtilin	2,495,743	Do.
Process of neutralizing pectinic acid	2,495,756	Do.
Low-methoxyl polyvalent metal pectinate fibers	2,495,757	Do.
Preparation of fibers from carboxymethyl-cellulose	2,495,767	Do.
Preparation of beta-amylase from sweetpotatoes	2,496,261	Feb. 7, 1950
Process of drying fruit or vegetable materials containing added methyl cellulose	2,496,278	Do.
Process of culturing bacteria	2,496,297	Do.
Isolation of low-methoxyl pectins	2,496,306	Do.
Preparation of aqueous dispersions of polymerization in the presence of ammonium alginate	2,498,694	Feb. 28, 1950
Nicotinic acid anhydride	2,498,634	Do.
Preparation of peptides	2,498,665	Do.
Flash distillation of turpentine	2,500,194	Mar. 14, 1950
Process for refining rutin	2,500,930	Mar. 21, 1950
Electrolytic preparation of calcium D-arabonate	2,502,472	Apr. 4, 1950
Acid leaching of pectinous materials	2,502,477	Do.
Lignocellulose phenol formaldehyde and inorganic filler molding composition	2,502,498	Do.
Neutralization of pectinic acids with sodium bicarbonate	2,503,258	Apr. 11, 1950
Process of preparing methyl beta-furfuryloxypropionate	2,504,151	Apr. 18, 1950
Derivatives of parahydroxy-penicillin G	2,504,161	Do.
Separation of starch from wheat flour	2,504,962	Apr. 25, 1950
Ethers of 7-hydroxyphenothiazone-3	2,504,980	Do.
Modified rosin esters	2,504,989	Do.
Vegetable oil extraction	2,505,749	May 2, 1950
Alkyl ethers of 3-hydroxy-phenothiazine	2,505,772	Do.
Solubilizing tanning bark extracts with waste sulfite liquors	2,505,818	Do.
Process for producing myrcene from beta-pinene	2,507,546	May 16, 1950
Method of cooling compressed blocks of dehydrated vegetable matter	2,507,550	Do.
Method of preparing subtilin	2,508,378	May 23, 1950
Fractionating column	2,508,394	Do.
Synthetic rubberlike materials	2,509,513	May 30, 1950
Method of drying allyl starch	2,510,089	June 6, 1950
Production of tannin and soft-grit blasting material from nutshells	2,510,119	Do.
Citrus juices and removal of volatile oils therefrom	2,510,138	Do.
Water-insoluble derivatives of nicotinic acid and process for preparing them	2,510,164	Do.
N-cyclohexyl nicotinamide	2,510,945	June 13, 1950
Method for stripping solvents from oils	2,511,833	June 20, 1950
Resins of alkyl-substituted cyclo-alkanol esters of acrylic acids	2,511,880	Do.
Self-advancing winding reel	2,512,645	June 27, 1950
Production of casein yarn	2,512,674	Do.
Nicotine compounds containing univalent copper	2,512,689	Do.
Line-operated vacuum tube voltmeter	2,513,281	July 4, 1950
Preparation of gluten phosphates	2,513,351	Do.
Oxidative method of producing 7-hydroxyphenothiazone 3	2,516,120	July 25, 1950
Method of and apparatus for preparation and distribution of sizing materials	2,516,884	Aug. 1, 1950
Process for manufacture of penaldic acids and their derivatives	2,516,900	Do
Copolymers of unsaturated ethers	2,516,928	Do.
Process of utilizing detergents to solubilize keratin materials	2,517,572	Aug. 8, 1950
Modification of wool with beta-propiolactone	2,517,573	Do.
Mildew-resistant paint	2,517,580	Do.
N-(2-cyanoethyl)-2-pyrrolidone-5-carboxylic acid and methods for its preparation.	2,517,585	Do.
Process for manufacture of penaldic acids and their derivatives	2,517,588	Do.
Coating of foods with pectinate films	2,517,595	Do.
Preparation of acyloxy carboxylic acids from esters of hydroxy carboxylic acids.	2,518,456	Aug. 15, 1950
Polygalacturonide alkylamides	2,520,123	Aug. 29, 1950
Method of purifying rutin	2,520,127	Do.

United States letters patent issued to Bureau of Agricultural and Industrial Chemistry, calendar year 1950—Continued

Patent	Patent No.	Date of issue
Methyl esters of subtilin	2,520,908	Sept. 5, 1950
Production of improved cellulosic materials	2,520,963	Do.
Fibers from zein	2,521,704	Sept. 12, 1950
Process for the production of artificial bristles and the like from proteins	2,521,738	Do.
Gluten phosphates and method for preparing them	2,522,504	Sept. 19, 1950
Apparatus for blanching deep beds of vegetables	2,522,513	Do.
Isolation of pectinic acids	2,522,534	Do.
Isolation of usnic acid	2,522,547	Do.
Preparation of diglycerides	2,523,309	Sept. 26, 1950
Process for the uninterrupted recirculation of unrefined alcoholic fatty oil solvent.	2,524,037	Oct. 3, 1950
Curing prolamine fibers with aldehyde in liquid organic medium	2,524,042	Do.
Process of producing subtilin	2,524,089	Do.
Fungicidal nicotinium salt compositions	2,524,094	Do.
Process for solubilizing allyl starch	2,524,792	Oct. 10, 1950
Polyhydric alcohol esters of acyloxycarboxylic acids	2,525,786	Oct. 17, 1950
Acylated proteins and method for making same	2,525,792	Do.
Process for making casein fibers for felting	2,525,825	Do.
Salt of phosvitin from egg yolk and method for producing the same	2,526,680	Oct. 24, 1950
Wet milling of grain sorghum	2,527,585	Oct. 31, 1950
Esters of oleic acid with unsaturated alcohols	2,527,597	Do.
Process of separating carotene fractions and tocopherol-sterol fractions from green plant materials	2,527,602	Do.
Process for the manufacture of peanut protein	2,529,477	Nov. 14, 1950
Vacuum distillation	2,530,376	Nov. 21, 1950
Stabilization of viscous dispersions of cottonseed proteins	2,531,383	Nov. 28, 1950
Method of preparing calcium firmed frozen apple slices	2,531,431	Do.
Hydrogenated furfuralacetofuran	2,532,279	Dec. 5, 1950
Organochlorosilanes and process for their production	2,533,240	Dec. 12, 1950
Methods of refining rutin	2,534,275	Dec. 19, 1950
Processes of isolating quercitrin	2,534,250	Do.
Nicotine compounds containing univalent copper	2,534,835	Do.
Methods of firming fruit and vegetable slices	2,534,263	Do.
Hydroxy polyesters	2,534,255	Do.

Dr. HILBERT. I wish next to make a short statement on the relocation of the Bureau naval-stores investigations.

You will recall that the Bureau's appropriation for fiscal year 1950 provided for necessary alterations at the Bureau's naval-stores station at Olustee, Fla., to permit the consolidation of all of our work on pine gum at this one location. Many of the personnel of the Naval Stores Research Division in New Orleans have already moved to Olustee. The consolidation is expected to be completed by the end of February 1951.

DEFENSE RESEARCH ACTIVITIES

During the past half year, the Bureau has planned for complete mobilization of its research resources for the solution of emergency problems falling within its field of authority. The Bureau recognized the need for establishing close liaison with defense agencies in order to make full use of its research facilities to attack urgent defense problems involving agricultural commodities.

It was decided to give first priority to contacts with the Army Quartermaster Corps because this organization is concerned with more problems relating to foods, fibers, and other products derived from agricultural sources than any other defense agency. In June I held two conferences with Dr. A. Stuart Hunter, technical director of the Quartermaster Research and Development Branch, and we developed a comprehensive program to collect detailed information concerning the research facilities and programs of both organizations as the basis for a coordinated attack on the most important problems.

During the past 6 months, Dr. Walter M. Scott, of the Bureau staff, and Dr. Ralph G. H. Siu, assistant to Dr. Hunter, have together visited all the research agencies of ARA including the Agricultural Research Center at Beltsville, Md., and the regional laboratories of the Bureau of Agricultural and Industrial Chemistry in Philadelphia, Pa., Peoria, Ill., New Orleans, La., and Albany, Calif. They have also visited all of the section heads in the Quartermaster Research and Development Branch and the laboratories operated by this Branch in Philadelphia and Chicago. This series of visits completed the first phase of their liaison activities, on which a report has been prepared. This report lists about 50 research problems of mutual interest to the QMC and ARA and indicates the personnel in each agency best suited to exchange technical information leading to the solution of these problems. In the continuance of this liaison, Dr. Scott and Dr. Siu are keeping in close touch with each other for the purpose of promoting the coordination of QMC and ARA research programs by frequent interchange of information between the scientists in each organization.

Concurrently with its liaison activities with the Quartermaster Corps, our Bureau has established staff contacts with key scientific personnel in the Munitions Board and the Research and Development Board of the Department of Defense, the Atomic Energy Commission, the Office of Rubber Reserve, and many branches of the Army, Navy, and Air Force.

BUREAU PARTICIPATION ON NATIONAL COMMITTEES

Bureau staff members are also participating actively on national committees concerned with the coordination of defense research. I am a member of the Committee on Foods of the National Research Council Advisory Board on Quartermaster Research and Development. Other members of the Bureau staff are serving on research advisory committees of the National Security Resources Board, Munitions Board, and Quartermaster Research and Development Board. The formal contacts made through these committees have been very helpful in bringing to our attention the important defense problems which the Bureau can help to solve through its research in the field of farm-product utilization.

CATEGORIES OF RESEARCH ON DEFENSE PROGRAM

The Bureau has been planning, since August 1950, the reorientation of its research program to give increased emphasis to work which can be expected to result in definite, valuable, and reasonably early contributions in the emergency. Our defense program is being organized under four broad categories of research:

First, research on food products—for example, the development of foods which are more acceptable to personnel of the Armed Forces, are more easily transportable, and have longer storage life.

Second, research on vegetable and animal fibers and improved textile fabrics of special value to the Armed Forces. An example is the development of flameproof cotton to reduce burn injuries to military personnel.

Third, research on medicinal products of agricultural origin. In this field we are concerned, for example, in the development of blood-

plasma substitutes from starch for use in treating military and civilian casualties.

The fourth category is research to develop industrial raw materials and products for the defense effort from agricultural commodities and wastes. This work includes development of substances derived from farm products for use in manufacturing all-purpose lubricants needed by the Armed Forces.

The planning of this research is now practically complete. The Bureau stands ready to redirect its total program of research on the utilization of agricultural commodities to assist in the solution of urgent problems confronting the Nation in its efforts to speed up production of foods, essential fabrics, medicinals, and industrial products needed in the present emergency.

FUND SOURCES FOR DEFENSE WORK

Mr. WHITTEN. That is a very fine statement in connection with the work of your Bureau, Dr. Hilbert.

I notice that the estimate for the coming fiscal year is the same as the amount you have for this year. You have also called our attention, and I think it is to your credit, to the fact that you plan to throw your whole organization behind the problems which are immediate and pressing and which face our national defense effort. Now, how do you plan to do that work? Are you going to follow the course that was followed in many cases during the last war, with the military making allocations of funds to carry on this work, or is it a case of using regular funds?

Dr. HILBERT. We are planning to carry on that work if it is in the field of authority of the Bureau with our own funds. As a matter of fact, Mr. Chairman, during the last war practically all the work conducted in the Bureau was financed through our regular appropriations.

Mr. WHITTEN. I didn't mean that as making a charge against this particular Bureau. I do know that in other bureaus much of the work that was done for the military was financed by the allotment of funds from that source. The Forest Products Laboratory, for instance, did quite a bit of work, and the money came from the military. Quite a number of other bureaus did the same thing. But it is your plan here to use the personnel and the funds that you have to meet these problems as fully as you can. Where you have to get additional plant or equipment or something like that, you will call on the defense agency for an allotment of funds?

Dr. HILBERT. That is correct. Also, if the problem is outside the authority of the Bureau, then we feel that it should be financed by the military.

Mr. HORAN. Mr. Chairman, may I ask a question in connection with that question of yours. I sometimes feel embarrassed as a member of the Appropriations Committee, because in our hearings with the Department of Agriculture we are sometimes put in the position of saving at the spigot and wasting at the bung because some departments of the Government, when they get into a defense effort, just put so many millions of dollars into their hip pocket and just spend it on whatever is termed the national security. I do not necessarily make a complaint about it, but we do make an effort to

justify all the funds that this subcommittee grants. But with the military, when we get into a tight spot, they say it is for national security that they need it, and then they get it. So it seems to me that somewhere along the line there ought to be some consideration by you gentlemen of any possible duplication of services and how to coordinate that work, at the insistence of the Appropriations Committee. I don't feel right, for example, about complaining about any funds you get from the Quartermaster Corps, which may have a research department that is duplicating your services. They get unlimited funds if they point out that it is in the national defense. Now, what do you do when you get together in this liaison work regarding the conservation of the Nation's fiscal resources?

LIAISON WITH QUARTERMASTER CORPS

Dr. HILBERT. Mr. Horan, in my statement I have called attention to the intensive staff work under way between the Bureau, as a matter of fact, the Agricultural Research Administration and the Quartermaster Corps. We have even gone so far as to exchange triannual reports that are prepared in our regional laboratories. We are also exchanging annual reports. In turn, they are sending to us their own reports. The number of contacts that we have made with the Quartermaster Corps in the last 6 months must amount to at least 100. That includes not only contacts that Dr. Scott has made but also the contacts of the field workers in our regional research laboratories. We have urged them to keep in close touch with the work of the Quartermaster Corps, and in turn the Quartermaster Corps has had their men visiting the regional laboratories, and they are aware of our work.

There has even been some discussion of having a representative from the Bureau stationed for, say, 3 or 6 months at the Quartermaster Corps laboratories as well as one from the Quartermaster Corps at our regional laboratories so that we can keep in close touch with each other.

Mr. HORAN. Do you ever give any thought to the possible wasteage of funds, or is there a tendency to feel liberated because you are cooperating with these military forces who do receive a more liberal approach, especially in times of stress?

Dr. HILBERT. Actually the combined resources of the Quartermaster Corps and the Bureau are not sufficient to attack all of the problems that lie in the food and textile and leather fields. The Quartermaster Corps has been encouraging other groups as well as the Department, including universities and State agricultural experimental stations, to voluntarily undertake work on these defense problems. I will mention just one.

In the field of dehydrated foods and vegetables a conference was held in Berkeley, Calif., last September. At that conference were present representatives from the Quartermaster Corps, from the Bureau, from universities and from industry. All the problems facing the industry were brought to the attention of the group. The Quartermaster Corps urged these various groups to undertake work in the field.

So I feel that, as far as the Quartermaster Corps and the Bureau are concerned, there is no duplication of work. I think the resources are being used to the fullest advantage.

Mr. HORAN. I don't want to take any more time, but I would like to ask you, Mr. Chairman, whether you know of anybody who really is in the position to control and to take advantage of what Dr. Hilbert is talking about.

Mr. WHITTEN. I do know that it is the biggest problem that you can find in government. I have mentioned this several times and I have called attention to it on the floor of the House. What disturbs me is that each branch of the service is so big that frequently it doesn't know what is going on within the branch itself, much less what is going on in other units of the Government. I advocated then that we set up a special group to pass on the use of facilities. It was my thought that the National Security Resources Board had such a thing in mind, that is, that before new facilities could be constructed or new projects set up, there would be clearance with a central group which would know whether that was already being done. You do find that the military frequently starts out on a campaign to do new things before they check around.

Of course, the shoe is on the other foot with respect to the building for your fuels project. But that just shows the poor liaison and the lack of a central clearing house which everybody would go through before starting something new.

Mr. HORAN. This fuels testing laboratory business is a case in point. We turned it down. We did it in good conscience because the chairman knew of one of those laboratories capable of testing motor fuels under controlled climate. Then after we started looking into it we found out that there were at least two of them and that they had practically been given to the military. They put them wherever they wanted to and nobody asked about them. If we pinched your pennies that was perhaps the reason. As I said, we sometimes are put in the position of saving at the spigot and wasting at the bung.

Dr. HILBERT. I recognize that particular flaw, and that is one reason why we have taken such a vigorous approach to the staff work with the Quartermaster Corps.

Mr. WHITTEN. You can help them a lot. Many times it is not a case of willful duplication, it is just a case of lack of adequate information for the use of new people thrown in these war jobs. With the military, under some contracts paying very ordinary labor $22 a day and $33 a day on Saturday, it is disturbing to see them building new facilities when they could get by with old ones. It makes it pretty hard to try to hold down on the regular agencies if the pennies we save here are going to be thrown away there. Yet we do the best that we can in trying to save.

WORK BEING PERFORMED FOR OTHER AGENCIES

I would like to know what funds you have had transferred to you from other sources this year. Have you already had other funds transferred?

Dr. HILBERT. We have $32,000 being transferred from the Quartermaster Corps to undertake work on the evaluation of a commercial product for its flame-proofing properties, a type of work we do not normally undertake ourselves, that is, investigations of a commercial product that has already been patented.

Mr. WHITTEN. You can say then that you have thrown your full resources behind the things that the Quartermaster Corps has indicated they would like to have you do?

Dr. HILBERT. That is true.

WORK PERFORMED UNDER THE RESEARCH AND MARKETING ACT

Mr. WHITTEN. Now you have considerable funds which initially came from the RMA funds, section 10, do you not? We finally put those together.

Dr. HILBERT. Yes, sir.

Mr. WHITTEN. Do you plan to continue work in the next year on those projects, or is there some change you anticipate?

Dr. HILBERT. Under the recommendation that I am making, Mr. Chairman, to Dr. Cardon, wherever work along the lines of nondefense activities is being carried out, the program will be shifted to defense work. Some of these problems have already been discussed with the RMA advisory committees, and I know that a number of these committees went on record and passed resolutions to the effect that all work on RMA funds, with which the committees are associated, should be on defense activities.

INVESTIGATIONS ON VEGETABLE OILS

Mr. ANDERSEN. What is this item of $182,000 for investigating vegetable oils? I refer to page 224 of the justifications. That seems to be a new item as compared to fiscal 1951 at least.

Dr. HILBERT. That is on research on strategic and critical agricultural materials. The investigation is on vegetable oils.

Mr. ANDERSEN. Just what is embodied in that?

Dr. HILBERT. The purpose is to find substitutes and replacements for castor oil, sperm oil, coconut oil, and palm oil. I believe that hearings on this estimate will be held in about another week or two.

Mr. ANDERSEN. Does that have anything to do with national defense?

Dr. HILBERT. Yes; it does have.

REMOVAL OF STRONG FLAVORS IN HONEY

Mr. ANDERSEN. I would like to ask just one more question, Mr. Chairman. I was very much interested, Doctor, in your statement that you can do something with strongly flavored honey from a commercial viewpoint. Now, is the process you mention reasonable enough, as far as cost is concerned, so that cooperatives or producers can take huge quantities of strongly flavored honey and renovate them, from a commercially sound viewpoint?

Dr. HILBERT. We believe that it is. The process consists of removing the strong flavors with carbon black and bone black.

Mr. ANDERSEN. Let us consider the honey produced in the buckwheat fields throughout the north. Can you do anything with that honey toward removing that flavor which many people object to?

Dr. HILBERT. Yes; very definitely so.

Mr. ANDERSEN. You can remove that decided flavor; can you?

Dr. HILBERT. That is right.

Mr. ANDERSEN. If you can do that, it will be very worth while, I think.

Dr. HILBERT. There are other approaches that are being taken to that problem, since you are interested in it. One is to mix the honey, as I have indicated, with, say, milk whey or milk solids and then selling that to bakers for an admixture into the flour or into the bread. The flavor of the honey is then so diluted that it is no longer recognizable.

Mr. ANDERSEN. I am interested in the production of honey not so much from the honey production itself but from the viewpoint that we must keep these honeybees flying all over this great country of ours if we are to have ample pollination of plants. You will recall that only a few years ago we were spending up to $12 million a year in relation to legume seeds production. We can probably do more through natural means than a huge appropriation would accomplish.

Dr. HILBERT. That is an extremely important problem, if for no other reason than that all efforts should be made to develop new uses for the honey so as to encourage the bee keepers.

Mr. ANDERSEN. That is correct.

Mr. WHITTEN. Are there any other questions?

Mr. HORAN. Tell me this, please: One of my chiefs on a reservation in the State of Washington wrote to me stating that he believed frostbite occurred amongst our soldiers in Korea was because of the type of shoes and gloves they wore. He stated that the Indians rarely became frostbitten when wearing their moccasins. He was interested in perhaps tanning hides on the reservation for use of lining boots and gloves for the armed services. I have been in contact with the Quartermaster Corps on that and I wonder if you would check on whether that is a practical idea or not. I believe that might be in the Quartermaster research branch.

Dr. HILBERT. We are doing work in the field of leather and tanning materials. Such a problem could be properly called to the attention of the Bureau.

Mr. HORAN. I think I will do that.

RESEARCH ON PRODUCTION OF GUAYULE

Mr. WHITTEN. I notice that you have an item here of research in the production of natural rubber. Can you give us any details as to what you are doing there and what progress you are making?

Dr. HILBERT. That is the work on guayule rubber.

Mr. WHITTEN. What developments have you had in the last year? Has there been any change in the picture in the last year?

Dr. HILBERT. Mr. Chairman, I would like to have Mr. Speh give you the story on that.

Mr. SPEH. The most recent developments have been the production of a high-grade—a uniformly high-grade—deresinated guayule rubber. The rubber that had been previously available was resinous rubber which carried about 20 percent of resin and other fibrous materials. There was a very decided limit in the extent to which that particular type of rubber could be used in the replacement of hevea rubber. We have developed a process whereby we can remove the resins down to about 5 percent so far. We are striving for further improvement down to about 3 percent. The result is that we have gotten a deresinated

rubber which has been tested on automobile tires on a very small scale because we have been able to produce it only on a small scale. It has been found to compare very favorably with hevea rubber. What we have in mind now is to attempt to meet the most critical need for hevea rubber which is in heavy-duty truck tires. We now have a program to produce an adequate amount of deresinated rubber for those tests. That is what we are working on.

Mr. WHITTEN. Your tests have been in a little pilot plant?

Mr. SPEH. Our production has been by the pilot plant. The automobile tire tests were something that were conducted just recently by the Firestone people on passenger cars.

Mr. WHITTEN. I mean your process.

Mr. SPEH. That has just been in the pilot plant.

Mr. WHITTEN. You have no idea and you have no way of showing at this time what the cost would be to do that on a larger scale; have you?

Mr. SPEH. We have made some estimates—and I am probably dignifying them by calling them estimates at this stage—but I think that we have the right to expect to produce deresinated rubber from the shrub at about 10 cents a pound.

Mr. WHITTEN. How many pounds would be involved in that price?

Mr. SPEH. That is on the basis of a large commercial scale.

Mr. WHITTEN. That large commercial scale may be the factor that would hit you in the face. What would you consider a large commercial scale? What quantity would you have to have in a given year?

Mr. SPEH. I don't know.

Mr. WHITTEN. What I am trying to point out, Mr. Speh, is that this is another case of the military needing rubber and issuing an order to get it. I don't know whether this thing originated with the military or whether it originated with the Department of Agriculture.

We made a visit to your experiment group in California where this is carried on. They made a broad statement, just as you have, that they ought to produce it for 10 cents a pound. We got around to asking how much they carry on their books as to the value of the land used for this work, the finest kind of irrigated soil. Well, they had not gone into that.

We asked, "What do you charge for your irrigation costs?" Well, they hadn't even thought of that.

The first question is, What volume of rubber are you going to have? The next question is, How long is your plant going to have to stay there to build up the rubber to the maximum amount? The best figures that we have been able to get would indicate that you would get as much as 100,000 tons of rubber 6 or 8 years from now. By that time you would have put $50,000,000 into it.

Now, you were talking about the actual cost of running the rubber through the plant. You don't have any figures as to what costs go into the building of the processing plant.

Mr. SPEH. No, sir.

Mr. WHITTEN. And you don't have any figures as to what it would cost to move equipment to the plant. You don't have any figures here as to what it would cost to get this irrigated land where you have to grow the shrubs. There is no estimate here to show that

anybody has any idea as to the cost of cultivation and the cost of harvesting and shipment to a central place.

Mr. SPEH. I thought I was careful to indicate that that figure of 10 cents merely reflected the processing, the production of the rubber itself.

Mr. WHITTEN. You mean after you have your shrub and all of your raw material right there and put it through the plant.

Mr. SPEH. That costs about 10 cents a pound.

Mr. WHITTEN. That is your estimate. Again, that couldn't be firmed at all because you haven't checked into what would be the cost of putting up such a plant.

Mr. SPEH. They have made a rough estimate. I wouldn't want to give any figure. I wouldn't want to call it a "guesstimate." But it does include what we figure would be the cost of a plant on the basis of amortization over a 5-year period.

Now, as far as these other items, the cost of growing the shrub, that is something, of course, that is within the province of the Bureau of Plant Industry, and they do have figures on that. I think the very latest estimate is that you can produce a pound of deresinated rubber, including all of your land, your cultivation, your planting, your harvesting costs, and the processing costs for between 40 and 50 cents a pound.

Mr. HORAN. It is true, however, that they didn't have that inmation out at Salinas. We asked them to work on that because at that time we were interested in the continuation of this program. We thought we had an efficient and economical program

The difficulty is that here in the Congress we have to vote on appropriations, and many of them are for the military. Of course all the military has to do is to put a D. O., as they call it, on any project of any kind, and it goes through without any questions. The effect is to raise the wages and increase the cost of the raw material. I think we were paying 21 times the cost of tungsten from Portugal during World War II. That can't help but have its reverberations throughout the economy of the entire world.

Then Congress has to vote on price-control legislation and we have to vote on higher taxes. We on this committee feel a responsibility to know what the economy is on any of these projects. I think that our research should reflect that some sort of an account should be kept up to date as to the total cost of a project. We assume when we read the figures over here in the estimates for 1952 that you have gone to the trouble of finding out what it is going to cost to run the project, or else you wouldn't have the figures here for us to look at. But when we go out and try to interpret the unit expense, either actual or projected, we find it difficult to get those figures.

That is what we were after because at that time we wanted to know whether we could put guayule production into the peacetime economy and preserve it against the time when we couldn't get various types of latex. In short, we wondered if there could be sound guayule farming.

Mr. SPEH. Maybe we are talking about two different costs. There is the cost of the project insofar as the cost of conducting the research is concerned. That is what these figures we submit reflect. That only is our part. However, the cost of production on a commercial scale is something that you can make a close estimate of only after you have solved the problems of research.

Mr. HORAN. My understanding, Dr. Speh—and you should know this better than I—is that industrial engineering is taught in our colleges with the idea of training men not only to know chemistry but also to design and build machinery to put their knowledge and findings into practical commercial use. I assume that somewhere along the line an industrial chemist—a chemical engineer, rather—should have had perhaps a course in accounting as it would apply to the development of new processes. Now, that is all we are after. We have to make this practical, if possible. That is why we have asked these questions—and we did have a rather embarrassing time while at Salinas.

Mr. SPEH. It is very important that we make our position clear on this.

Mr. HORAN. I appreciate that as a scientist you are trying to be exact. I appreciate that.

LABORATORY METHOD

Mr. SPEH. The point is this: You say that a chemical engineer can design a piece of equipment. That is true, but he cannot design that piece of equipment until he knows what he wants that piece of equipment to accomplish. That is why you start off in your test tubes. Having developed it in your test tubes, then you carry it out on a small scale. Each process is made up of various steps. So you have to have a continuation of one piece of equipment both in size and performance, with another piece of equipment.

Now, that is where we are now. When we first took up our work we used pebble mills. We found that very inefficient. So now we have turned to the paper industry for a piece of equipment they use, the Jordan mill, which you may have seen at Salinas. We introduced that into the production line and we have found that it fills a very definite need. But we are not sure that that is the final answer because every pound of rubber that we can get out of a ton of shrub or an acre of land just reduces the cost that much.

So that is where we are now. We have developed a laboratory method. We have demonstrated on the pilot-plant scale that we have a feasible method. Various steps are not locked together as they should be. We have produced enough of the rubber to be evaluated to show us that the method is satisfactory. Now what we want to do is to build up a production line from which somebody then can design a commercial plant, and then you will get your figures.

Mr. HORAN. Of course, the embarrassment occurred when I asked them what it was costing them to pump water and they had no accounts for that.

Mr. SPEH. That is unfortunate.

Mr. HORAN. It was very unfortunate.

Mr. SPEH. Those figures should be available because we know what those bills are.

DIRECT APPROPRIATION FOR CORTISONE RESEARCH

Dr. HILBERT. There is one other item I would like to call your attention to. That is the work on the precursors of cortisone.

Mr. WHITTEN. We will take a few minutes on that.

Dr. HILBERT. I would like to call your attention to the fact that this work is included for fiscal year 1952 in the estimate for the Bureau. You will recall that last year the committee decided that those funds should be made available to the Department by transfer of funds from the National Institutes of Health. The matter was taken up this year between the Department and the Budget Bureau, and a determination was made that those funds should be provided directly to the Bureau rather than to the National Institutes of Health.

Mr. WHITTEN. That is fine. We felt that way about it last year. My recollection is that the funds had already been provided in the other place, and it was a case of duplicating those funds if we appropriated a like amount. That was the basis on which the transfer was made last year, and we do prefer to have it done directly. Now, what progress are you able to report of that?

Dr. HILBERT. Those funds were made available to the Bureau in October last. Since then we have been prosecuting the work very vigorously.

(Discussion off the record.)

Mr. WHITTEN. That is very interesting.

SAMPLE PRODUCTS

Dr. HILBERT. Mr. Chairman, you will recall that I mentioned an item of canned dates. I would like to turn over cans of these dates to you. They have now been kept for a year and a half. Ordinary dates can only be preserved for about 2 or 3 months.

Also, you will recall that last year we turned over to you samples of canned pears—pears canned in regular cane sirup as well as pears, canned in pear juice. The latter was a laboratory product. This year, in cooperation with the Hood River Apple Growers Association, we produced this product on a large pilot-plant scale, and in all produced 1,400 cases. That product is being sold by the Hood River Apple Growers Association, and they have asked their broker to keep them informed with respect to the reaction of their consumers to this product.

One other matter we have referred to is frozen concentrated apple juice which was produced at the Western Laboratory in cooperation with the apple growers in the State of Washington. That frozen concentrated apple juice consists entirely of Delicious apples, that is, the Delicious variety to which has been added citric acid, which is a food acid, to increase its tartness, its acidity.

We have been cooperating with the Quartermaster Corps in developing candies that have greater nutritional properties than ordinary candies, that have milk whey in them, and also candies that can be stored, say, for 6 months at a temperature of 100° Fahrenheit. Those candies have to be made in a special form, a disc form, in order that they will fit into a military ration can. Now, we are turning samples of that candy over to you, too. On each can there is an indication of what the product is in the candy.

Mr. WHITTEN. That is fine, Doctor. We certainly thank you. You know, seeing is believing.

Dr. HILBERT. Thank you, Mr. Chairman, and members of the committee.

THURSDAY, FEBRUARY 15, 1951.

BUREAU OF PLANT INDUSTRY, SOILS AND AGRICULTURAL ENGINEERING

WITNESSES

DR. R. M. SALTER, CHIEF, BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING
DR F. P. CULLINAN, ASSISTANT CHIEF, BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING
DR. M. A. McCALL, ASSISTANT CHIEF, BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING
DR. F. W. PARKER, ASSISTANT CHIEF, BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING
J. D. LONG, ACTING HEAD, DIVISIONS OF AGRICULTURAL ENGINEERING, BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING
V. H. BEACH, BUDGET OFFICER, BUREAU OF PLANT INDUSTRY SOILS, AND AGRICULTURAL ENGINEERING
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$8,558,140	$11,008,950	$10,785,000
Transferred from—			
"Operating expenses, National Institutes of Health, Public Health Service, Federal Security Agency," pursuant to Public Law 759		60,000	
"Salaries and expenses, farm housing, Department of Agriculture," pursuant to Public Law 843	5,000		
Adjusted appropriation or estimate	8,563,140	11,068,950	10,785,000
Applied to contract authorization		−100,000	
Contract authorization	100,000		
Total available for obligation	8,663,140	10,968,950	10,785,000
Unobligated balance, estimated savings	−62,889		
Savings under sec 1214		−224,300	
Obligations incurred	8,600,251	10,744,650	10,785,000
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	1,454,162		
"Special research fund, Department of Agriculture"	624,210		
"Salaries and expenses, Soil Conservation Service"	203,400		
"Salaries and expenses, farm housing, Department of Agriculture"	37,462		
Comparative transfer to "Salaries and expenses, Office of Information, Department of Agriculture"	−893	−650	
Total direct obligations	10,918,592	10,744,000	10,785,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	211,928	196,800	169,600
Comparative transfer from—			
"Research and Marketing Act of 1946, Department of Agriculture"	4,133		
"Special research fund, Department of Agriculture"	5,496		
"Salaries and expenses, Soil Conservation Service"	261		
"Salaries and expenses, farm housing, Department of Agriculture"	680		
Total reimbursable obligations	222,498	196,800	169,600
Total obligations	11,141,090	10,940,800	10,954,600

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Plant, soil, and agricultural engineering research:			
(a) Field crop investigations	$3,456,503	$3,383,790	$3,442,100
(b) Horticultural crop investigations	3,006,535	3,010,810	3,033,400
(c) Forest disease investigations	449,277	441,970	476,600
(d) Soils, fertilizers, and irrigation investigations	2,693,429	2,646,900	2,579,300
(e) Agricultural engineering investigations	1,140,140	1,111,880	1,105,000
Subtotal	10,745,884	10,595,350	10,636,400
2. National Arboretum:			
(a) Operation and maintenance	102,638	104,700	104,650
(b) Development of physical facilities	70,070	43,950	43,950
Subtotal	172,708	148,650	148,600
Total direct obligations	10,918,592	10,744,000	10,785,000
REIMBURSABLE OBLIGATIONS			
1. Plant, soil, and agricultural engineering research:			
(a) Field crop investigations	26,874	18,300	7,900
(b) Horticultural crop investigations	5,268	4,300	4,300
(c) Forest disease investigations	21,446	22,300	7,000
(d) Soils, fertilizers, and irrigation investigations	93,980	89,400	87,900
(e) Agricultural engineering investigations	74,930	62,500	62,500
Total reimbursable obligations	222,498	196,800	169,600
Total obligations	11,141,090	10,940,800	10,954,600

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	2,117	2,091	2,074
Full-time equivalent of all other positions	203	192	190
Average number of all positions	2,065	2,032	2,021
Personal service obligations:			
Permanent positions	$7,765,358	$7,885,100	$7,961,400
Part-time and temporary positions	415,021	403,800	393,700
Regular pay in excess of 52-week base	28,063		31,000
Payments above basic rates	9,437	7,000	6,200
Total personal service obligations	8,217,879	8,295,900	8,392,300
Deduct charges for quarters and subsistence	27,150	27,800	28,000
Net personal service obligations	8,190,729	8,268,100	8,364,300
DIRECT OBLIGATIONS			
01 Personal services	7,989,033	8,094,900	8,203,000
02 Travel	309,145	283,300	289,900
03 Transportation of things	55,684	53,300	54,200
04 Communication services	32,072	33,800	34,200
05 Rents and utility services	99,779	102,300	89,400
06 Printing and reproduction	272,152	238,300	238,700
07 Other contractual services	221,232	209,100	210,300
Services performed by other agencies	678,648	691,000	693,000
08 Supplies and materials	590,255	632,000	634,400
09 Equipment	443,186	321,000	325,900
10 Lands and structures	227,406	80,000	
15 Taxes and assessments		5,000	12,000
Total direct obligations	10,918,592	10,744,000	10,785,000

Obligations by objects—Continued

Object classification		1950 actual	1951 estimate	1952 estimate
	REIMBURSABLE OBLIGATIONS			
01	Personal services	$201,696	$173,200	$161,300
02	Travel	2,671	1,300	700
03	Transportation of things	569	700	
04	Communication services	217	200	200
05	Rents and utility services	4,628	2,700	2,700
06	Printing and reproduction	1,620	1,700	1,700
07	Other contractual services	6,242	10,900	1,800
08	Supplies and materials	4,444	6,000	900
09	Equipment	411		
15	Taxes and assessments		100	300
	Total reimbursable obligations	222,498	196,800	169,600
	Total obligations	11,141,090	10,940,800	10,954,600

Mr. WHITTEN. Gentlemen, we are glad to have Dr. Salter and his associates with us.

I would like to have pages 225, 226, and 233 through 237 of the justifications inserted in the record at this point.

(The material referred to follows:)

PURPOSE STATEMENT

The Bureau of Plant Industry was established under provisions of the Agricultural Appropriation Act of 1902, approved March 2, 1901, and the act of June 3, 1902 (5 U. S. C. 524). In February 1943, the name was changed to the Bureau of Plant Industry, Soils, and Agricultural Engineering.

Research is organized in four major groups, as follows:

1. *Field crops.*—Research is concerned chiefly with the production and improvement of cereals, cotton, forage, rubber, sugar, tobacco and other important food, feed, fiber, oil and specialty crops. Increased yield; improved quality, and resistance to diseases, insects, heat, drought, cold, or other hazards is sought by breeding, selecting, and testing varieties and by improving crop management practices. Methods of controlling weeds are also studied.

2. *Horticultural crops.*—Research is conducted on the production and improvement of fruit, vegetable, nut, and ornamental crops, and on methods of reducing losses from diseases and deterioration involved in handling, processing, transporting, and storing these crops. Methods are developed for avoiding or controlling diseases of trees and forest products. Foreign plant exlporations and introductions provide new crops and valuable breeding material for the development of improved crops. Investigations are also conducted on reducing crop damage caused by nematodes and on the control of plant disease epidemics.

3. *Soils.*—Soil investigations are directed toward the determination of systems of soil management and irrigation that will increase soil fertility and give most efficient crop production; the improvement of fertilizers and liming materials; and the classification and mapping of soils with particular respect to their crop production capacities, crop adaptations and management practices. The relation of soils to plant, animal, and human nutrition are also studied.

4. *Agricultural engineering.*—Agricultural engineering investigations are concerned with the improvement of farm machinery for planting, cultivating, fertilizing, spraying, dusting, and harvesting crops; the development of improved equipment and facilities for processing and storing farm products; the design of improved farm buildings and houses; and the develompent and application of electrical equipment to farm use.

The Bureau also is responsible for the operation, maintenance, and development of the National Arboretum, which was established by Congress in 1927 in the District of Columbia to provide a collection of living plants from this country and abroad valuable not only for breeding with native species to develop improved strains of trees, shrubs, and flowers for parks, boulevards, and other landscape uses, but also for study by students and scientists.

The research work consists primarily of field, laboratory, and greenhouse experiments conducted usually in cooperation with State agricultural experiment stations, industry, and others. Because of the diverse crops and wide range of soil and climatic conditions, it is necessary to conduct the work at numerous field locations. Research results are made available to farmers and others through increase and distribution of improved varieties, and by dissemination of information through the Federal-State cooperative extension service, publications, the agricultural press, and correspondence.

Work locations and personnel.—The headquarters of the Bureau are at Plant Industry Station, Beltsville, Md. In the field, the work is conducted at approximately 200 locations in 45 States, at Summit, Canal Zone, and at Sao Paulo, Brazil. As of November 30, 1950, under all funds of the Bureau there were 2,172 full-time employees, including 119 in the departmental service, and 705 part-time employees. In addition there were 691 collaborators serving without compensation.

Appropriated funds

Estimated, 1951	$10, 844, 000
Budget estimate, 1952	10, 785, 000

Salaries and expenses

	Plant, soil, and agricultural engineering research	National Arboretum	Total
Appropriation Act, 1951 (adjusted)	$10, 756, 250	$152, 700	$10, 908, 950
Supplemental appropriation for 1951 (Supplemental Appropriation Act, 1951)	100, 000		100, 000
Reduction pursuant to sec. 1214	−220, 250	−4, 050	−224, 300
Activities transferred in 1952 Estimates from "Operating expenses, National Institutes of Health, Public Health Service" for research into utilization of plant material and vegetable sources of cortisone pursuant to the General Appropriation Act, 1951	60, 000		60, 000
Activities transferred in 1952 estimates to "Salaries and expenses, Office of Information, Department of Agriculture" for distribution of motion pictures	−650		−650
Base for 1952	10, 695, 350	148, 650	10, 844. 000
Budget estimate, 1952	10. 636, 400	148, 600	10, 785, 000
Decrease	−58, 950	−50	−59, 000

Summary of increases and decreases, 1952

Plant, soil, and agricultural engineering research:	
To develop wheat varieties resistant to new races of stem rust	+$28, 900
To develop practical methods for controlling oak wilt	+35, 000
For operation of research program at Brawley, Calif	+85, 000
Elimination of nonrecurring items of $85,000 provided in 1951 Appropriation Act and $100,000 provided in Supplemental Appropriation Act, 1951, for completion of construction of buildings and facilities at the Brawley, Calif., field station	−185, 000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this subappropriation	−22, 850
Subtotal	−58, 950
National Arboretum: Decrease due to providing a direct appropriation to General Services Administration for certain procurement costs previously paid from this subappropriation	−50

Project statement

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
1. PLANT, SOIL, AND AGRICULTURAL ENGINEERING RESEARCH:					
(a) Field crop investigations	$3,456,503	$3,383,790	−$5,590	+$63,900	$3,442,100
(1) Cereal production, breeding, disease and quality investigations	(891,805)	(890,380)	(−720)	(+28,900) (+5,000)	(923,560)
(2) Cotton and other fiber plant production, breeding, disease, and quality investigations	(598,256)	(619,910)	(−980)	----------	(618,930)
(3) Forage crop production, breeding, disease and quality investigations	(758,748)	(760,970)	(−610)	(+15,000)	(775,360)
(4) Rubber production, breeding, and disease investigations	(38,671)	(37,920)	(−30)	----------	(37,890)
(5) Sugar-plant production, breeding, disease and quality investigations	(531,360)	(518,660)	(−2,810)	(+15,000)	(530,850)
(6) Tobacco production, breeding, disease and quality investigations	(244,603)	(250,110)	(−200)	----------	(249,910)
(7) Drug, oil, insecticides, tannin, flavoring, and special product plants	(98,161)	(100,600)	(−80)	----------	(100,520)
(8) Hop production, breeding, disease and quality investigations	(28,616)	(28,310)	(−20)	----------	(28,290)
(9) Weed control investigations	(181,283)	(176,930)	(−140)	----------	(176,790)
(10) Construction of an office and laboratory building at the Southwest Great Plains Field Station, Woodward, Okla	(85,000)	----------	----------	----------	----------
(b) Horticultural crop investigations	3,006,535	3,010,810	−2,410	+25,000	3,033,400
(1) Deciduous fruit investigations	(487,888)	(474,190)	(−390)	----------	(473,800)
(2) Citrus, avocado, and other subtropical fruit investigations	(163,728)	(160,790)	(−130)	(+7,000)	(167,660)
(3) Nut investigations	(290,864)	(281,130)	(−230)	----------	(280,900)
(4) Vegetable investigations	(630,888)	(624,860)	(−510)	(+18,000)	(642,350)
(5) Potato investigations	(183,865)	(181,020)	(−140)	----------	(180,880)
(6) Plants for landscaping and ornamental purposes and farm windbreaks, investigations of	(234,426)	(248,960)	(−200)	----------	(248,760)
(7) Methods of handling transportation and storage, and market diseases of fruits and vegetables, investigations of	(431,518)	(402,350)	(−330)	----------	(402,020)
(8) Plant introduction, testing, and maintenance of basic stocks	(349,904)	(411,350)	(−300)	----------	(411,050)
(9) Investigations to reduce crop damage caused by nematodes	(124,720)	(121,810)	(−100)	----------	(121,710)
(10) Basic studies of plant growth and development	(77,410)	(74,090)	(−60)	----------	(74,030)
(11) Investigations and control of plant-disease epidemics	(31,324)	(30,260)	(−20)	----------	(30,240)
(c) Forest diseases: (1) Diseases of forest and shade trees and forest products	449,277	441,970	−370	+35,000	476,600
(d) Soils, fertilizers, and irrigation investigations	[1] 2,593,429	[1] 2,746,900	−7,600	−160,000	2,579,300
(1) Soil improvement, management, and irrigation investigations	(1,176,830)	(1,144,340)	(−930)	(+25,000)	(1,168,410)
(2) Fertilizers and their improvement	(236,210)	(226,220)	(−180)	----------	(226,040)
(3) Soil classification for crop production	(1,047,373)	(1,058,870)	(−6,390)	----------	(1,052,480)
(4) Investigations of the relation of soils to plant, animal, and human nutrition	(133,016)	(132,470)	(−100)	----------	(132,370)
(5) Construction or acquisition of buildings, facilities, and equipment at new Southwest Irrigation Field Station, Brawley, Calif	(1)	[1] (185,000)	----------	(−185,000)	----------

[1] The 1950 fiscal year excludes $100,000 contract authorization contained in the 1950 Agricultural Appropriation Act for construction or acquisition of buildings, facilities and equipment for the station at Brawley, Calif., and fiscal year 1951 includes $100,000 appropriated in the Supplemental Appropriation Act, 1951, for liquidating obligations incurred pursuant to the contract authorization.

Project statement—Continued

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
(c) Agricultural engineering	$1,140,140	$1,111,880	−$6,880		$1,105,000
(1) Farm machinery	(389,431)	(368,240)	(−6,300)		(361,940)
(2) Farm structures and related investigations	(242,907)	(248,360)	(−200)		(248,160)
(3) Mechanical processing of farm products	(292,107)	(271,730)	(−210)		(271,520)
(4) Farm electrification investigations	(215,695)	(223,550)	(−170)		(223,380)
Subtotal	10,645,884	10,695,350	−22,850	−$36,100	10,636,400
2. NATIONAL ARBORETUM					
(a) Operation and maintenance	102,638	104,700	−50		104,650
(b) Development of physical facilities	70,070	43,950			43,950
Subtotal	172,708	148,650	−50		148,600
Unobligated balance	+62,889				
Total available	10,881,481	10,844,000	−22,900	−36,100	10,785,000
Transfer from "Salaries and expenses, farm housing, Department of Agriculture" pursuant to Public Law 843	−5,000				
Transfers in 1951 estimates from—"Research and Marketing Act of 1946, Department of Agriculture"	−1,454,162				
"Special research fund, Department of Agriculture"	−624,210				
"Salaries and expenses, Soil Conservation Service"	−203,400				
"Salaries and expenses, farm housing, Department of Agriculture"	−37,462				
Transfer in 1952 estimates to: "Salaries and expenses, Office of Information"	+893	+650			
Transfer in 1952 estimates from: "Operating expenses, National Institutes of Health, Public Health Service"		−60,000			
Reduction pursuant to sec. 1214		+224,300			
Total appropriation or estimate	8,558,140	11,008,950			

Mr. WHITTEN. Dr. Salter, we will be glad to have your general statement, sir.

GENERAL STATEMENT

Dr. SALTER. Thank you, Mr. Chairman.

Our budget estimates for the coming year have been prepared with full consideration that the urgent need for defense mobilization will require enormous public expenditures. Accordingly, the estimates before you represent our considered judgment of the minimum requirements for our Bureau to carry its responsibility in this period of world struggle with communism.

PRIMARY RESEARCH OBJECTIVES

As you know, the primary objectives of our research program are to increase the efficiency and expand the productive capacity of agriculture. The capacity of American agriculture to produce food and fiber has a direct bearing on the ability of democracy to compete with communism because, in the long run, our ability to survive the communistic threat will depend on our ability to compete in economic strength—both in terms of contributions to human welfare and to war potentials.

RESEARCH ESSENTIAL TO ABUNDANT PRODUCTION

The importance of abundant agricultural production was fully demonstrated during the last two World Wars. Next to the military potential, this Nation's agricultural potential was most important to victory both times. During World War II we stepped up agricultural production to unprecedented levels, primarily through the application of technical "know-how" from the reservoir of knowledge that had been accumulated through agricultural research.

We had the good fortune of favorable growing seasons throughout the war years, which made it possible to capitalize more fully on our new knowledge, materials, and machinery. We have no guaranty of favorable weather in the years ahead. In fact, we might very well hit a cycle of unfavorable weather in which case new technology could be the primary factor in offsetting the adverse effects of poor growing conditions.

REQUESTS FROM DEFENSE AGENCIES

During the last war our Bureau was called upon by war agencies to do certain jobs directly related to the war. Already in this emergency the defense agencies have made similar requests. For example, our forest pathologists have been called on to study flight decks of airplane carriers to determine soundness of wood, to examine gliders that are being renovated for service, and to consult with the Navy in the construction of a large number of wooden mine sweepers.

The Army Map Service is using a part of the services of our Cartographic Unit, normally employed in the construction of soil maps, to prepare topographic quandrangles of foreign areas where the military is involved. According to the Joint Chiefs of Staff Memorandum TSSM–153 of September 6, 1950, that unit is subject to call when needed by the Aeronautic Chart Service of the Air Force to prepare world-wide aviation charts.

At the direction of the Munitions Board we are building up the stockpile of guayule seed. We are also increasing supplies of the higher rubber-yielding varieties. Moreover, we are furnishing technical services to the Production and Marketing Administration in developing guayule seedling nurseries under irrigation in southwest Texas, which will provide planting stocks for dry-land shrub production.

In our castor bean project we are furnishing technical guidance in the program for vastly expanding castor bean production in Oklahoma, Texas, and California. We are also speeding up our work on the development of mechanical castor bean harvesters for use under dry-land conditions.

In Central America we have initiated a program for research and survey activities in support of the program authorized by the Congress last year for continuing and expanding abaca production as a source of manila hemp for naval cordage. We are determining areas for growing abaca and developing techniques for the production of this hard fiber crop. Also, in Florida we are investigating sansevieria as a substitute for manila hemp. We are working on methods for production and processing and are determining areas where sansevieria might be grown in the United States.

These items indicate some of the work we are now doing that is directly related to defense. We expect that many more such assignments will be forthcoming from the defense agencies. For instance, there have been discussions of assigning to our Bureau certain phases of research dealing with defenses against biological and chemical warfare.

REORIENTING PROGRAM FOR EMERGENCY

Furthermore, we realize that within our usual fields of operation there are many problems that have a critical relationship to the Nation's ability to produce during the emergency. We are reevaluating our efforts in these fields with a view toward recasting certain phases of our program to put greater emphasis on these problems. I should like to mention a few examples of the type of recasting we have in mind.

Farm machinery and agricultural materials such as fertilizer, herbicides, and fungicides are already becoming in short supply. For most effective use of limited supplies, some types of allocations program will probably become necessary. There is much recent scientific data that has a positive bearing on effective allocations. That data needs to be assembled in such a manner that it can be readily drawn upon should an allocations program be initiated.

Sulfur and copper, two basic fungicidal ingredients, are both critical materials. For many crops there is no material that can be substituted for sulfur and copper in disease control. We think there is need for much greater testing of new organics as possible substitutes. Also, there is need for the development of concentrated sprays for crop disease control to make more efficient use of chemical materials in short supply and to conserve labor in spraying operations.

MORE EFFICIENT USE OF REFRIGERATED CARS AND TRUCKS

From our studies on transporting perishable foods, we have developed loading methods that permit heavier loading of refrigerator cars with certain commodities, such as citrus fruit, potatoes, and grapes. With citrus fruits, for example, improved methods permit loading one-third heavier. In view of impending shortages of refrigerator cars, we think there is need for greater study of more efficient use of refrigerated cars and trucks in the marketing of all fresh fruits and vegetables.

SUBSTITUTE POWER EQUIPMENT ON FARMS

Since farming has become so highly dependent on the gasoline engine, agricultural production could be seriously impaired should petroleum refineries be knocked out through sabotage or bombing. We have in mind shifting some of our engineering research to the development of equipment for generating power from coal, wood, or agricultural wastes for operating farm trucks and tractors.

GRAIN STORAGE IN SOUTH

Problems of grain storage in the South are becoming more pressing because of the rapidly expanding livestock industry there. Most of

our research on grain storage has been in the heavy grain-producing States of the Midwest where prolonged periods of heat and humidity and a multiplicity of insects are not a problem. We are considering shifting a part of our grain storage studies from the Midwest to the South.

INCREASING SUPPLIES OF IMPROVED FORAGE SEED VARIETIES

In our crop research we see need for a faster build-up of seed supplies of improved varieties so that they will be available to farmers sooner. With small grains we have learned to produce two crops a season in the seed-build-up process by using the South for a winter increase. The Foundation seed project for small seeded forage crops is demonstrating that seed of improved legumes and grasses can be increased as much as 50 times faster under organized effort. We are considering directing more crop research effort toward getting a faster seed increase of improved varieties, such as high yielding American-Egyptian cottons and corn hybrids resistant to the corn borer.

These examples give the committee an idea of the type of recasting we now are doing and considering in light of the emergency. In certain lines of research, however, we think that recasting would not be desirable—that over the long pull the greatest contribution can be made through continued emphasis on work already under way. We can now see that during the last war we actually lost some ground by shifting out of certain long-time studies. This time we should benefit from that experience. Furthermore, military authorities say the Nation must plan to sustain an extensive defense program for a long period of years. Therefore, agriculture must be prepared to supply materials to support that program, however long the emergency lasts. Certain of our long-time studies can have a tremendous influence in this respect.

RESEARCH TO EXPAND AGRICULTURAL PRODUCTION

In view of this Nation's position as leader of the world's democratic forces, and in view of our growing population, the potential demands on our agriculture are such that we believe it imperative to find ways for expanding our agricultural production capacity on a maintained basis without sacrificing vital land resources.

In this connection there are two important lines of work on which I should like to focus attention. One has to do with the development of unrealized agricultural resources in the South, and the other with reversing the declining trend in soil productivity.

BRUSH CONTROL IN THE SOUTHWEST

There are enormous potentials for expanding livestock production on pastures in the Southeast and on range lands in the Southwest. More than 100,000,000 acres of formerly productive grassland in the Southwest have been invaded by mesquite and other noxious brush plants during the past half century. The brush has greatly reduced the carrying capacity and the productiveness of the native range. These pictures show how the open range has become brush infested. The pictures are rather unique in that they show the same area of land 50 years ago and now, exactly the same shot.

This example of brush invasion is typical of much of the Southwest range country. Many areas are much more heavily infested.

Mr. HORAN. What State is that in?

Dr. SALTER. That is in eastern New Mexico. Here [indicating] you see this abundant heavy grass and the cattle. And today, this [indicating] isn't a very dense stand of mesquite. but wherever you get that much, the grass is thin. And, of course, there are not many cattle on that range today.

Mr. WHITTEN. We have seen that in our home areas in Mississippi. The hill sections are now growing cattle instead of cotton to a large extent, and it is surprising to see how the soil comes back. It is wonderful grass country, but we have these sassafras sprouts, and what we call sweetgum sprouts, and it is a terrific job to keep those trees from just taking over the land, after you take it out of cotton. It is an annual expense, and quite an expense, to keep that stuff under control.

Dr. SALTER. There is a good bit of speculation as to why this brush comes into that grassland area. Some people think it is mismanagement, but you would think you would find some areas where the land is managed well and there would be no brush, and yet you just find it all over the place.

SOME BRUSH CONTROL MEASURES FOUND PROMISING

Practical, effective control measures have not been available. Our current studies, however, show that some new plant hormone type chemicals will kill some types of brush at relatively low costs, and that the range can be reestablished with nutritious grasses. This could furnish a large addition to our livestock production potential. While the areas infested by different kinds of brush overlap, this general map will give you an idea of the size of the region involved and the complexity of the brush problem. This is a map of the State of Texas, and Oklahoma and these other States.

Mr. WHITTEN. You will notice that does not bother eastern Oklahoma.

Dr. SALTER. This is a combination map, because it shows different combinations of brush. Oklahoma happens to be in the sand sage area. We have mostly mesquite in combination with various other brush plants from there on down. The area covered by brush is enormous. Some of that land, which probably a good many of you have been over, looks like forest land as you look out over it. It does not look like range land at all.

NOXIOUS BRUSH

Mr. HORAN. By "noxious brush," what do you mean?

Dr. SALTER. We mean primarily unwanted brush and vegetation. It is not contributing anything to the production of the land and it is impairing the production of the land.

Dr. MCCALL. And it is very difficult to control.

Mr. HORAN. When we use the term "noxious weeds" we use that term "noxious" as referring to weeds that are deleterious to livestock.

Dr. SALTER. You are referring to poisonous weeds, Mr. Horan. The term noxious is also applied to other weeds that are difficult to

control. We have always spoken about Canada thistle as a noxious weed, as you know.

INCREASED BEEF PRODUCTION FROM BRUSH CONTROL

It has been estimated that removal of brush from this range land would provide potentially an additional 500,000,000 pounds of beef annually.

In Oklahoma we have found that airplane applications of 2,4–D are economical and effective for killing sand sagebrush. In our experiments at Woodward we have increased per acre beef production two to four times through the killing of sagebrush and pasture reseeding.

In Texas we have found a highly promising lead for controlling mesquite. In cooperation with the Texas Experiment Station, the Texas State PMA committee, and individual ranchers we conducted wide-scale testing last year using 26 different aerial spray experiments over an area 360 miles wide and 700 miles long. In all, the tests covered about 4,000 acres of range land. It is too early to know the final results, but Texas ranchers think the new method so promising that they plan to spray about a million acres of mesquite this year.

The uncertainty relates to knowing how much of that mesquite is going to come up from the roots. We know most of it is not.

RESEARCH PROGRAM FOR BRUSH CONTROL

While our work to date is encouraging, the brush problem is still far from being solved. For many kinds of brush we have not found effective killing chemicals. When one type of brush is killed, other types have a tendency to take over. We need to learn more about grass reestablishment and methods for keeping brush from reinvading cleared land. However, we are optimistic about the prospects of expanding the livestock production potential in the Southwest through intensive research on all phases of the brush problem. It is our intention to shift more research emphasis to the brush problem.

PASTURE AND FORAGE CROPS FOR LIVESTOCK IN SOUTHEAST

In the Southeast little, if anything, is being produced on millions of acres of poor grazing land, unproductive woodland, and low yielding cropland. While effective use of this land is a problem of long standing, recent discoveries suggest tremendous opportunities for using much of it in the production of milk, beef, and other livestock products. Through the introduction and creation of new and better legumes and grasses and the development of improved fertilizer and soil management practices for efficient forage production, we believe we can build the foundation for an efficient livestock industry in the South.

For example, in an experiment last year at Tifton, Ga., beef cattle grazing on coastal Bermuda grass produced 539 pounds of beef per acre in a 6-month summer grazing season. This is considerably better than normal beef production in the Corn Belt. In winter grazing tests at State College, Miss., beef cattle produced 339 pounds of beef per acre in 7 months on improved pasture with a profit of $58 per acre. Dairy cattle on improved pastures in tests in Louisiana produced 64

percent more milk than dairy cattle on unimproved pastures. These are typical of the results we are getting from southern forage crop studies that lead us to believe we can build the foundation for an efficient livestock industry in the South, which could add materially to the country's food potential.

Livestock enterprises are already springing up in many southern localities, as some of you gentlemen know. An efficient livestock economy for the South generally, however, is still to be developed. There are still a vast number of problems to be solved. Especially, we need to lower the cost of developing improved pastures. We think it can be done and we intend to give these problems more intensive study.

REVERSING DOWNWARD TREND IN SOIL PRODUCTIVITY

Reversing the downward trend in soil productivity on our more productive soils offers another opportunity for expanding our agricultural productive capacity. Exploitive systems of farming have been followed since the very beginning of American agriculture on our most productive lands in the Midwest and the Great Plains. Consequently, the inherent productivity of the soil itself has been declining more or less continuously. Recent technological improvements, such as hybrid corn and rust-resistant wheat, have merely offset the decline. They have not reversed it. While some improvements are resulting from programs for soil conservation and from increased use of chemical fertilizer, the general trend of soil productivity is still downward in our main "bread basket."

This chart gives an idea of what is happening. Our best estimate of what has happened to the inherent productivity of the soils themselves over the last 50 years, on a percentage basis, is shown by this red line. You will notice it is going down at a fairly constant rate. It speeded up a little bit during the war period, and then went on down at about the previous rate.

Corn yield is a pretty good measure of the productivity of the soil. This line shows the corn yield. It went down until the period when we began to put in hybrid corn and pile on fertilizer in the Midwest, and then it went back up. This line shows what we theoretically should have been doing if the soil productivity had not gone downhill.

INCREASED SOIL PRODUCTIVITY NEEDED FOR EXTENDED EMERGENCY

In my opinion, the development of practices for improving our more productive types of soil may be one of the most important contributing factors in developing our agricultural potential to safe levels for an extended emergency.

There is good reason to believe that such practices can be developed. The problem is centered around the progressive loss of humus and nitrogen in these soils. Evidence in the humid areas—both experimental and practical—indicates that it is possible to maintain these soils through intensive systems involving crop rotations keyed to legumes and grasses in conjunction with the use of mineral fertility at high levels.

The problem is in getting more land into grass and legume crops. We need to overcome difficulties in forage crop seed production, in

establishing stands, in maintaining them, and in preserving and utilizing forage. Crop, soil, and engineering problems are all involved. Already we have much vital basic information. We know that proper fertilization at planting time plays a key role in establishing forage crop stands. New disease-resistant varieties maintain stands longer and yield more forage. Improved haying methods reduce the loss of feed nutrients in the curing process.

Recent experiments have shown that on much land, improved meadows and pastures can be made to produce as much total digestible nutrients per acre as high-yielding corn crops—and at less cost and with less labor. I think we have a good lead on solving the problem of declining soil productivity, but the job is far from finished. We plan to concentrate more work on it.

PROTECTING INCREASED PRODUCTIVE CAPACITY

Also, there is the problem of protecting the present productive capacity of agriculture. The Nation's capacity to produce agriculturally is now at an all-time high. Crop production is double what it was 50 years ago. Much research is needed to merely retain past gains.

High-yielding crop varieties, for example, are a key factor in our present production capacity. Much of the high-yielding capacity of most crop varieties is the result of bred-in disease resistance. It cannot be assumed that these gains are permanent. Danger from plant diseases is an ever-present hazard. Nature is continually at work creating new diseases and new races of old diseases that could seriously impair crop production. Last year's situation with spring wheat offers a current illustration.

NEW RACE OF STEM RUST OF WHEAT

A new race of stem rust of wheat broke out for the first time last summer over most of the Nation's bread basket. Race 15–B is the most virulent race of rust ever found in North America. It caused serious losses in the spring wheat areas of North and South Dakota and Minnesota, and was identified in 14 other wheat-producing States.

Mr. ANDERSEN. At that point, Doctor: I understand that we lost at least 10 or 11 million bushels of wheat on that account.

Dr. SALTER. That is right. As I say below, here, in my statement, the 1950 Durum wheat crop was hit hardest, with losses estimated at $20 million. That would be about 10 or 11 million bushels. That was more than 20 percent of the crop. Late fields of Hard Red Spring wheat also suffered some damage.

Last year's loss was the first serious damage from stem rust with spring wheat in 15 years, because improved wheat varieties in commercial use are resistant to all the old races of stem rust. All present commercial wheat varieties—both spring and winter—are susceptible, however, to this new race 15–B. So, here is a new threat to our wheat production potential that comes right at the time of a national emergency. It could be very serious.

Mr. ANDERSEN. The fact that a new race of rust has sprung into being means that you will have to do an extremely large amount of research work over again; will it not?

Dr. SALTER. More or less, Mr. Andersen; that is right.

STATUS OF RESEARCH ON STEM RUST

Our wheat breeding program has been redirected within available funds to focus on the problem. Last summer some experimental lines of wheat in our breeding plots appeared resistant to race 15–B. They are experimental. We have selected about 600 lines of Hard Red Spring and Durum wheat that show promise of resistance. Seed from those lines is being increased this winter at our new station at Brawley, Calif. We expect a one-hundred-and-fifty-fold increase in the seed during the winter months. It will be sent back to the spring wheat area for intensive testing in nurseries and field plots next summer. We are cooperating with many States on this program. The experimental strains sent to the Brawley station are also being put through intensive winter greenhouse testing, as are other early generation experimental strains. We are reexamining our world collection of wheat germ plasm and are making an intensive search for new resistance.

This is some of our greenhouse work. We are indexing or checking on the resistance of the material we have to this new race of rust. This [indicating] happens to be a Kenya hybrid, one parent of which came from Kenya, Africa. If you will look at that, you will see it is perfectly clean; and yet it has been inoculated with this rust. This [indicating] is a susceptible hybrid, typical of about 95 percent of our commercial wheats. Do you see the rust on that? This shows the greenhouse technique for identifying rust-resistant and rust-susceptible varieties. And you will be interested in this, Mr. Andersen. Here is a new variety of wheat [indicating], Lee, which has been developed in cooperation with the Minnesota station. It has high resistance to all the other races of rust, resistance to leaf rust, was a higher yielding variety than the present variety, was of high quality, and we were all ready to release it. But it is not resistant to this new race of stem rust.

Mr. ANDERSEN. That is why I brought out that point. The fact is that this new race is important. It is an entirely new race of rust—practically new, is it not?

Dr. SALTER. We have had it in the United States, but it has not occurred in wheat fields. It is something that has become prevalent in the last year.

Mr. ANDERSEN. That makes you more or less go back to the beginning and start all over again.

Dr. SALTER. These are experimental lines. We may find resistance. We have. But there is no assurance that the resistant variety will be an acceptable substitute for the commercial varieties, the high-quality varieties. They may not be much good either economically or from the standpoint of quality. It may take a few years to work that quality of resistance into the quality wheats.

POSSIBILITY OF LOSS FROM STEM RUST IN 1951

Mr. ANDERSEN. What would happen if the weather is right for the further propagation of that rust this spring; for example, another spring like we had last spring?

Dr. SALTER. It could easily knock the spring wheat crop to very low levels.

Mr. ANDERSEN. I would say it could pretty nearly finish it; could it not?

Dr. SALTER. That is right.

Dr. MCCALL. Incidentally, Mr. Andersen, there is one rather encouraging feature in the situation. Last fall 15–B became well established in northern Mexico and Texas, but the cold weather has seriously cut it back. That does not mean that it is all killed, but we are hoping that it is cut back seriously enough to prevent an epidemic. We do not know positively, of course.

Mr. HORAN. Tell me, is this a spore producer?

Dr. SALTER. It produces spores; yes.

SEARCH FOR RESISTANT STRAINS

Mr. HORAN. That can attack wheat anywhere. Why would the Kenya wheat have resistant qualities?

Dr. SALTER. It is hard to say why we get resistance, Mr. Horan, but we do know that some of these strains that have shown resistance have come from Africa, and we now have as a part of the objective of the plant exploration going on in Ethiopia the hunting of new strains, with the hope that we will get more resistant materials.

Appearance of the new race of wheat stem rust underscores the fact that if the work of plant breeders were suddenly to cease, most crop varieties would probably fall victim to new plant diseases within a very few years. Therefore, we consider our breeding programs on important food, feed, and fiber crops as essential to the national defense.

REORIENTATION OF RESEARCH PROGRAM

I have mentioned several types of work that need to be emphasized during the emergency. I would like to explain what we propose to do about them. We are endeavoring to reorient our program so that we can go the limit within the availability of personnel, physical facilities, and funds to attack these problems.

We realize that there are many difficult administrative adjustments to be made. As yet we are not far enough along to have developed all the details. However, we are working on a priority system for classifying existing projects with respect to the emergency, which we hope will serve as a basis for shifting resources from areas of low to areas of high priority. We trust that this approach is in line with the views of this committee on what we should do.

PROGRAM INCREASES REQUESTED FOR 1952

Only after we have found that we cannot, within our own resources, go as far as the emergency demands—or undertake new research tasks as required by the defense agencies—do we expect to ask for additional funds. This year we are asking for only three small items of increase: one to further intensify wheat breeding to overcome the new rust problem, another to develop practical methods for controlling oak wilt, and a third for operating the research program at our new station at Brawley, Calif.

Mr. ANDERSEN. Might I interject there, Mr. Chairman?

Mr. WHITTEN. Mr. Andersen.

BUDGET REQUEST FOR RESEARCH ON STEM RUST OF WHEAT

Mr. ANDERSEN. It rather disturbs me that you are only asking in this instance $28,900 for the development of wheat varieties resistant to new races of stem rust. Can you do the job there with that money, when we know the situation as it exists is what it is?

Dr. SALTER. That is going to be a minimum, I can assure you. We have shifted some of our regular effort in the wheat program over to this particular problem, and last year we threw in $10,000 of additional Bureau funds. So we have expanded the research some before making any requests for additional money. Actually we may find our request a little short. We are, however, cooperating with the States on this research, and most of the States are putting up quite a bit more money for their wheat work because of this new disease.

There are certain things, of course, that we as a Federal agency can do that they cannot do, but much of it they can do.

Mr. ANDERSEN. Do you not have some greenhouses out at Beltsville, that are not in operation, that could be used to intensify this particular work?

Dr. SALTER. We have plenty of greenhouse facilities for this work. That is not the limiting factor. We need to work with larger volumes of material. It is primarily funds for field operations that is going to be the limiting factor rather than any lack of greenhouse space.

COORDINATION OF WHEAT RESEARCH WITH STATES

Mr. HORAN. Well, along that line, your work, Dr. Salter, in this instance, is very importantly a matter of coordinating the work being done in the land-grant colleges of the grain States; is that not true?

Dr. SALTER. To a considerable extent, Mr. Horan. All this indexing work that we are doing on world wheat collections, and this multiplication work we are doing at Brawley, are things we can do as a Federal agency that the States are not prepared to do. Then in addition we are coordinating all of this research work throughout the area. With an expanded effort on the part of the States, we need to expand our effort also, but not necessarily in proportion to what the States themselves will do.

Mr. HORAN. I know particularly my alma mater, Washington State College, has a pretty good division on cereals out there and has some pretty good men in that field.

Dr. SALTER. That is right. And we have been, of course, actively cooperating with your State for years. There is a teamlike effort there.

The outbreak of this new race of stem rust came late last year, after our initial budget estimates had been prepared, and after the budget ceilings had been placed on the Department by the Bureau of the Budget. So naturally, we had to be pretty conservative in our estimate for this item.

The assistant chiefs are with me today, and they will be glad to comment on the other items of increase, and this one, too, if more is desired. If you want to take a few more minutes, I will be glad to discuss a few of our recent developments from our research.

ORGANIZATION FOR RESEARCH

Mr. WHITTEN. Doctor, before you get to that, let me ask you this: What is your method of operating? Do you carry on this work through cooperative agreements with the State experiment stations, or through jointly operated field stations? Give us a breakdown.

Dr. SALTER. I cannot give you a specific breakdown, Mr. Chairman, but I can tell you how we operate. We have operating arrangements with practically every State in the United States. We have a general memorandum of understanding which covers all of our cooperative work between our Bureau and each State. Then we have what we call supplements to these general memoranda, which cover each specific line of work which we do and spell out what we are putting in and what the State is putting in, particularly in the way of funds.

The work itself is located wherever the job can be done best. Now, on this wheat research we are doing all this indexing work at Beltsville, because we have greenhouse facilities there. The field work, where we are testing out the field reactions to this race of rust, necessarily has to be done in the field. It can be done either at a State experiment station, or we can do it at some of the Federal stations. We are in fact working at Federal stations with this same wheat program. We have men located in the area who serve as coordinators for the work among the States, and they and the personnel of the State experiment stations operate as a working group, planning the work jointly and carrying on the work jointly. That is about the way it is set up, Mr. Whitten.

REVIEW OF RESEARCH PROGRAM BY COMMODITY COMMITTEES

Mr. WHITTEN. What percentage of your money that you spent last year was on projects that have been approved by the commodity committees? Can you give me the approximate percentage?

Dr. SALTER. That is a little difficult to answer.

Mr. WHITTEN. You may put a corrected figure in the record.

(The information referred to follows):

Approximately 65 percent of our research funds were spent on projects that have been brought before the commodity committees and given their approval. The remaining 35 percent falls primarily in the fields of soils and engineering research and generally does not come within the field of any commodity committee.

Dr. SALTER. Last year, you recall, Mr. Chairman, the commodity committees gave consideration to more than just research under the Research and Marketing Act.

Mr. WHITTEN. That is right. We put the money together, except for title II funds. It was contemplated by the committee at that time that the commodity committees would have an opportunity to discuss your entire program with you. But, just roughly what is the approximate percentage of those activities that have been discussed with your commodity committees.

Dr. SALTER. I would estimate, and this is going to be a guess, that certainly half of our program was brought before the committees and given approval. Some of our work does not fall in the field of any committee. We do not have any committees in the field of soils and engineering work.

Mr. WHITTEN. Do you contemplate carrying on that same course during this coming fiscal year?

Dr. SALTER. Yes, Mr. Chairman. We rather like this system, as a matter of fact. We have had several of the commodity committees visit the Bureau at Beltsville this year and have spent a day with each going over our respective programs. It has given an opportunity for our project leaders to talk with these fellows. So we have the research men and those who look at it from the standpoint of the field talking together. It has been very helpful, I think, to both.

Mr. WHITTEN. I am very glad to hear you say that.

About the only way you can justify retaining that increased fund through the future years is to submit your program to these commodity committees, so that the intent of the Research and Marketing Act is carried out. I am glad to hear you say that you intend to fully carry that out.

WORK FOR DEFENSE AGENCIES

There is one other question. You state that you have already done some work for the Department of National Defense and for other defense organizations. Have they made allotments of money to you for that purpose, or have you done that with your own funds?

Dr. SALTER. In part, both.

Mr. WHITTEN. How much money have you had, and for what purposes?

Dr. SALTER. Directly from the military, we have had support on four projects, with a total of $39,705. Those are rather strictly military problems.

Mr. WHITTEN. Have you hired extra personnel to do that? Or have you used personnel that you are already paying? And why have you not used your own money to do that, if you are using your regular personnel?

Dr. SALTER. We have to carry on our own program, and so we make adjustments by adding additional help, temporary help, and so on, to carry the load while we are doing these additional jobs. It works as a kind of expansion and contraction process. Our employment goes up and down, to meet these requirements.

Mr. WHITTEN. If your Bureau is going to slant its work toward meeting these defense and emergency problems with the personnel you already have which are paid from your funds, you probably would be entitled to more consideration. If, on the other hand, you are going to get other money for it, it would be in line for your funds to be reduced, because of absolute necessity. In other words, as to defense work, we do not want to pay for it twice, once by making an appropriation to you for the regular work of your department and again when you get money from national defense. We had better have some understanding as to how this thing is going to be handled, so that the committee will know what to recommend.

Dr. SALTER. I think you are quite right on that, Mr. Chairman, and I can say this: As I stated a while ago, insofar as we can do it we expect to fulfill our responsibilities in these defense programs as well as the more critical things in our regular program, which are related more directly to defense, without asking for any more money. We can not guarantee that there will not be some big jobs that come along that we could not handle without wrecking our regular program, and

that is quite a possibility. And we would not like to see that happen, of course.

TRANSFERS TO DEPARTMENT AND WAR FOOD ADMINISTRATION

Mr. WHITTEN. Incidentally, Mr. Roberts, before I forget it, I wish you would have prepared for the committee a statement of the Department of Agriculture appropriations through the years of World War II, and a separate report for the War Food Administration for the years it was in operation. I also would like to have shown the amounts of money that were transferred from the military to various sections of the Department of Agriculture through the War Food Administration.

Mr. ANDERSEN. Would you add to that any other sums transferred to the Department from any other source?

Mr. WHITTEN. Plus any other sums transferred to the Agriculture Department from any source whatever.

That will give us a chance to show some comparisons.

Mr. ROBERTS. Show such data year by year? On the transfers, would you like to have some idea of not only the agency from which the funds came, but also a one-line entry indicating what it was for? Yes; we will be glad to, Mr. Chairman.

Mr. WHITTEN. One of the Bureaus that has been before us made the statement that as long as the folks they had were trained for the job and as long as it was within the field of what they could do, they expected to do it with their regular appropriation, but that when it was work outside of their regular area of responsibility and completely foreign to their authorization, they would expect to ask for an allotment or transfer. It struck me as being a very practical way to approach this thing.

Dr. SALTER. We have some cases where we have been asked to do jobs which we were qualified to do, but we cannot do them without taking men from what we consider highly important jobs in the agricultural field. We are qualified to handle them from the standpoint of leadership.

I might illustrate that for you. We have been working with Military Geology, a unit in the Department of Interior, for the last 3 or 4 years on the preparation of a world soil map. Because we had the know-how, we were given the leadership on it. But we have had to employ soils men from the States and various parts of the world to do the work. It was something we could not just shift our staff over onto.

Mr. WHITTEN. I think that answers what I had in mind.

Mr. Stigler?

NATIONAL ARBORETUM

Mr. STIGLER. Doctor, I notice in the authorization an item of $43,950 for physical facilities at the National Arboretum. I wish you would state what that covers, please, sir.

Dr. SALTER. Since that comes under the immediate direction of Dr. Cullinan, would you object if I asked him to answer that question?

Dr. CULLINAN. Mr. Stigler, the planned expenditures under that item will result primarily from the fact that we have recently acquired some new land as was authorized. It will be necessary to move

some of the fences from the old boundary location to M Street, which now is the new boundary of the property. In addition to relocating the fence, some surface drainage must be provided. Also, New York Avenue has been extended through some of our property, and there was necessity to move our fence back, over quite an area. Some funds will be required to put that land in shape. Some of that money would also be used for upkeep of roads. Some of those roads were built back in CCC days, and have not been resurfaced. It will be necessary to haul in some gravel and stone and extra top surfacing to keep those roads in repair. During the next few years there is the possibility that we will not have any new buildings, and it is going to be necessary for us to repair some of the temporary buildings, which are in very bad repair now, in order to carry us through an emergency period. Also, some repair of greenhouses and other service buildings is required, and water lines will have to be extended to take care of recent plantings. Plant materials must be moved from the nurseries. Those are our plans for that $40,000 item.

Mr. STIGLER. None of this money is contemplated to be used, though, for new construction?

Dr. CULLINAN. None of this money is contemplated for new construction. That is correct. As we see the Arboretum for the next year, it is practically on a maintenance basis.

SURVEY WORK IN ARKANSAS-WHITE-RED RIVER BASINS

Mr. STIGLER. I notice on page 263 of the justification an item of $19,000 for the Department of Defense. If that information is not restricted, Doctor, I would like to know what work that covers.

Dr. SALTER. That is survey work in the Arkansas-White-Red River Basins, as a part of the survey authorized by Congress, I believe, which is being done with funds transferred to the Department of Agriculture from the Army engineers.

Mr. STIGLER. It has nothing to do with the war effort?

Dr. SALTER. It has nothing to do with the war effort. I had not thought of that as being a defense activity.

Mr. STIGLER. That is all, Mr. Chairman.

OAK WILT

Mr. WHITTEN. I do not believe I asked you about this proposed work on controlling of oak wilt, for which you ask an increase of $35,000. You called that to the committee's attention last year. What has been the development since then, and how do you expect to use that money?

Dr. SALTER. Dr. Cullinan?

Dr. CULLINAN. During the past year we felt that it was highly desirable to conduct a survey in that area where oak wilt is now present, and I have a map here which I should like to pass out which will help to explain the survey to the committee. You will see on that map, Mr. Chairman, that the dark area at the top is the infected area that was known before 1949. The green areas show the points at which it broke out in 1949 in Illinois and in eastern Indiana and down into Missouri. The spread of oak wilt down into that important oak territory caused us serious concern, and so this past summer we

conducted a survey to determine the extent to which this disease was spreading into Arkansas and Missouri. You will notice from the red markings on the map, that it was found in Missouri and Arkansas at a point below the old area. It was also found at two locations in the East, two in Ohio, and one in Pennsylvania. In the one in Pennsylvania, the trees have been destroyed, and we will have to wait for a further survey to be made in that area to see whether the disease has spread further to that State.

Now, what we propose to do with the increase is this. We have located the outer fringe of infection. We want to start in there and carry out three lines of investigation, which we think will give us information needed at once to help stop the spread of oak wilt. First, we would try to find out definitely how this disease spreads. Second, we would try to find if killing infected trees by economical methods would prevent spread of the disease. It seems likely from the way it shows up in groups, or islands, that it would be possible to go in and poison or kill the trees and prevent the spread to other areas. It is known that the roots of these oak trees will intergraft, and where we find one infected tree, there may be an area around that tree where four or five other trees will become infected. It is possible we could go in and poison those trees and immediately stamp out that infection. On the basis of the preliminary information we have, we think it is a good line to follow. The third method of investigation would be to spray trees as a means of control. Our headquarters would be at Columbia, Mo.

STATE COOPERATION

The States in this area all through here [indicating] have been contacted. They are all very much interested. They want us to take the leadership and they will provide men and planes to make additional surveys.

During the past summer with some funds provided by the Forest Pest Control Act we rented some planes to scout and locate where this disease was present, and then by using a ground crew went in and verified the presence of the disease. That is how we have been able to locate these areas indicated on the map.

This year, because of the very important oak region down through the Delta in lower Arkansas, Louisiana, and Mississippi, and in the areas east into Tennessee and Kentucky, we want to determine whether or not there has been any spread of oak wilt over into those areas, adjacent to the regions surveyed last year. The Government's part of the survey work would all be done under forest pest control funds.

Some States are planning to use their foresters and others on the survey. West Virginia, for example, has offered to provide a plane and about 29 of their foresters to start a campaign next year to scout West Virginia. Ohio and other States are making similar plans for scouting for the disease in their respective States. They would, of course, like to have us provide leadership and help to coordinate all of the information obtained. In addition, the Oak Wilt Committee of the oak industry is proposing to put up $60,000 a year for the next 3 years to help make a contribution to this study.

We expect to concentrate most of our research work in Missouri where we could carry on some rather intensive experiments to get the information which we hope will check the oak wilt. Fortunately the disease is not spread by wind-blown spores. Therefore we feel if we could find effective and economical means to stop the spread, the disease could be prevented from causing so extensive destruction to our oaks.

Mr. WHITTEN. Mr. Andersen?

POTATO AND ONION INVESTIGATIONS

Mr. ANDERSEN. I have a question I would like to ask the doctor, about items 4 and 5 on page 235 of the justifications, the subheading "b. Horticultural crop investigations."

Item 5 relates to potato investigations, and I believe in item 4 we have the item relative to onion investigations, do we not?

Dr. CULLINAN. Yes, sir.

Mr. ANDERSEN. What I want to know is, are the appropriations about the same as last year?

Dr. CULLINAN. The one for onions is slightly larger than last year by the amount of part of an increase which has been asked for Brawley, Calif. But the potato item is exactly the same amount.

Mr. ANDERSEN. In my section of the country people are very much interested in these two particular items. I think it is good work.

Dr. CULLINAN. I would like to make one statement, if I may, in connection with our research work on potatoes. I think the committee will be interested in it.

About 2 years ago we introduced the Kennebec potato. We are now building up a stock of that new variety for distribution throughout the country. The variety resistant to late blight.

Mr. WHITTEN. Is that going to give us more and more potatoes?

Dr. CULLINAN. Not necessarily. It means that the farmer who is producing potatoes can save the cost of copper during the emergency. About 50,000,000 pounds of copper sulfate have been used annually to control late blight. If we grew just that one variety of potato during the emergency, it could be produced without spraying with copper sulfate. Had we stopped that investigation during the last war, we would not have that variety now.

Mr. STIGLER. What is the name of that?

Dr. CULLINAN. Kennebec, named after the Kennebec River in Maine. It is performing wonderfully, all over the country.

Mr. WHITTEN. I am indeed glad to hear about this development. As has been pointed out many times, research is what enables us to break even, and, we hope, get ahead from time to time, and the more of these diseases you can overcome, the less effort and time and expense will be necessary to provide an ample supply of food for the Nation.

Are there further question?

Mr. HORAN. Are we going to have the various divisions up, or just have them en bloc?

Mr. WHITTEN. I think it is just as well to have them en bloc, unless someone feels otherwise.

Mr. HORAN. I would like to ask Mr. Long:

I notice here, that you have brought a catalog of housing. Do you recall last year we tried to have a little pamphlet indicating the bulletins that had been put out previously by your Division, as to economical units for farms, with particular reference to the Farmers Home Administration.

Mr. WHITTEN. May I interrupt for a moment to insert pages 247 through 261 in the record at this point.

(The material referred to follows:)

STATUS OF PROGRAM

PLANT, SOIL, AND AGRICULTURAL ENGINEERING RESEARCH

FIELD CROP INVESTIGATIONS

Research is conducted on the production and improvement of the principal farm crops including cereal, cotton, forage, sugar, tobacco, and other important food, feed, fiber, and oil crops, and on the control of weeds. These crops provide the major sources of our food, feed for our livestock, fibers, oils, and important soil-improving and soil-conserving crops. For the 1950 crop or marketing year, they had a total farm value of approximately $15,450,000,000.

New problems are continuously arising in this field and demanding solution, as for example:

Two new races of stem rust, the most virulent ever reported in North America, became prevalent in 1950 in 17 States from Mexico to Canada and caused heavy losses, especially on durum wheat varieties where production was reduced over 20 percent, a loss of around $20,000,000.

Black shank of tobacco in 1950 spread widely through the burley-producing area and was especially destructive in eastern Tennessee where it first occurred in 1949. The disease threatens to wipe out burley tobacco production.

Selected examples of recent progress

1. Corn hybrids resistant to corn borers are being developed. Resistant hybrids have been developed and are already in use in the eastern part of the Corn Belt where the corn borer has been present for a long time. In Ohio, for example, more than one million acres of the 1950 corn crop was planted with hybrids possessing some corn borer resistant characteristic. In the western part of the Corn Belt where the corn borer invasion has been recent, resistant hybrids are now being developed. Adequate sources of resistance are available, but incorporating them into the many commercial hybrids adapted to specific localities will take several years because each must go through the long chain of cross breeding, back crossing, in-breeding, and double crossing.

2. New wheat varieties have come to the lead in popularity with farmers. Pawnee, Comanche, and Triumph, three recently introduced winter wheat varieties, and Mida, a recent spring wheat introduction, were the most widely grown varieties in 1949. Pawnee, alone, occupied nearly 11,000,000 acres. Five years ago these varieties were grown on no more than a few thousand acres.

3. Lee, a superior variety of hard red spring wheat, has been introduced. Resistance to all races of leaf rust known to be present in North America has been combined into this new variety which was distributed in Minnesota in 1950.

4. Andrew, a new high-yielding oat variety introduced in 1950, is adapted over a wide area. Among 30 entries grown in tests located over a wide area during each of the last 8 years, Andrew topped the list in average yields.

5. New rice variety lengthens harvesting season: Century Patna is an early maturing variety of long slender-grain type rice adapted to Arkansas, Louisiana, and Texas. It can be grown along with midseason and late-maturing varieties to spread rice harvesting over a longer period.

6. Redwood, a new variety of flax, is resistant to all races of flax rust known to occur in North America. In this variety adapted to the North Central States plant breeders have combined high oil content, good quality, superior yield, and disease resistance. Redwood straw also rates high in fiber characteristics, making it useful in the manufacture of high-grade paper.

7. Grassy weeds in sugar beets controlled with TCA (sodium trichloracetate): Preemergence applications of from 5 to 10 pounds of TCA per acre have been found effective without damaging beets. Commercial scale tests on both sugar beets and table beets were highly successful in 1950. The TCA weed killer will probably be used rather extensively with sugar beets in 1951.

8. Weeds in cotton may be controlled with chemicals. A combination of dinitro and light herbicidal oil gave excellent weed control in Mississippi tests without affecting yields. The chemical treatment cost $6.55 per acre compared with $14 for hoeing the untreated plots. Also, promising results have been obtained with herbicidal oils alone. Additional studies are still needed before chemical weed control methods can be recommended for cotton.

9. New cotton hybrids have superior yarn strength. Lint produced in 1949 from interspecies cotton hybrids gave yarn strengths about 50 percent above the average for commercial cottons of the same staple length. Much more breeding work is needed, however, before cotton growers can realize the advantage of these hybrids. At the present stage of development yields are only one-third to one-half of commercial upland varieties.

10. Heavy-yielding, high-oil-content soybeans have been developed for most of the soybean belt. Blackhawk, a superior variety for the northern part of the main soybean area, has been introduced for 1951. Most other areas have been furnished comparable varieties through soybean breeding during the past decade. The superior varieties generally have increased yields by 20 percent and increased soybean oil content by 10 percent. Breeders are now working on such varieties for the southern soybean area of the upper Mississippi Delta.

11. Pastures in crop rotations add to profits: More forage was produced from Kentucky bluegrass and alfalfa-bromegrass pastures during 4 years in rotations than during 6 years in permanent pasture in tests in Wisconsin. In addition to the forage, one crop of corn and one crop of oats was produced in the 6-year rotation.

12. A potential legume crop found for the Great Plains: The discovery of old stands of yellow siberian alfalfa that have persisted in South Dakota for more than 40 years has provided a wealth of breeding material already adapted by natural selection to adverse conditions of this area. This strain of alfalfa apparently will thrive under normal conditions in the semihumid region, and survive while holding the soil in place during extreme dry periods. An extensive program of breeding and testing will be needed if this strain of alfalfa is to be made into a dependable legume crop for the 200,000,000-acre dry-land area.

13. A new strain of Korean lespedeza developed in cooperation with the North Carolina Agricultural Experiment Station, is resistant to root knot nematodes and powdery mildew. Nematodes are a serious hazard to lespedeza production in the Upper Coastal Plain. Seed is not yet available in commercial quantities but stocks are being increased.

14. Resistance to crown rot has been attained in white clover. From more than 60,000 Ladino clover plants subjected to stringently controlled tests, 21 plants with considerable resistance to crown rot were selected. These are being used to develop a crown rot resistant variety, and for development of further breeding material with an even higher degree of resistance to this disease which is a major factor in losses of Ladino clover stands in Eastern States.

15. Ergot resistant hybrids of Dallis grass found: Dallis grass, the most important perennial summer pasture grass in the South, has been limited in usefulness because of susceptibility to ergot and consequent danger of poisoning to livestock. Through special breeding technics, including careful control of temperature and length of day during flowering, hybrids were obtained in cooperation with the Mississippi State Agricultural Experiment Station. Out of several thousand plants produced in the third generation following crossing, there were seven ergot immune hybrids. Seedling progenies from these are now being grown and studied as the next step in developing an ergot immune Dallis grass variety.

16. Fertile hybrids of zoysia lawn grasses have been produced which make possible the development of a valuable turf producing species for the crabgrass belt and the South. Plant breeders are now working to combine into one variety the fine-leaf characteristics of Mascarene grass and Manila grass with the winter hardiness, heavy seed production, and bluegrass compatibility qualities of Japanese lawngrass.

17. New sugar-beet variety combines resistance to black root and leaf spot—two of the most serious sugar-beet diseases in the humid area. In tests in Minnesota the new variety withstood exposure to black root under conditions so extreme that susceptible varieties failed completely. Immediate steps have been taken to

supply seed for wide-scale field trials in 1951. Release with a new "U. S." number is anticipated.

18. Sugarcane introductions from India provide source of material for developing varieties better suited to Southern States. Fifty-six clones of Saccharum barberi imported from India in 1949 were added to the stockpile of short-cycle-breeding material of Temperate Zone origin available for hybridization. The new material is expected to contribute earliness and other desirable qualities to United States sugarcane varieties.

19. An improved sirup-type variety of sugarcane yields 50 to 75 gallons more sirup per acre than present varieties. C. P. 36/111 is not ideally suited to mechanical harvesting, but is a definite improvement for sirup-producing districts in Mississippi and Alabama.

20. Sugar sorghums offer possibilities as an off-season sugar crop in California. Experimental plantings of improved varieties of sugar-type sorghums have produced big yields high in sucrose in the Imperial Valley when grown during the hot summer period from June to October. Sugar beets are produced in this area from October to June. Since the feasibility of extracting sugar from sorghum by standard factory operations has been demonstrated, large-scale plantings of sugar sorghum have been made at the new Brawley Station to explore problems farmers will encounter in large-scale production.

21. A new burley tobacco yields more high quality leaves. Burley 1 is an improved root rot resistant tobacco that produces more of the fine-textured, thin-bodied, light-colored cigarette leaf. Under 3 years of testing in Tennessee the new variety yielded only 23.1 percent of poor grade leaves while a standard variety yielded 31.5 percent of heavy red noncigarette leaf. Burley 1 averaged about 6 percent higher dollar return per acre because of better quality.

22. Good progress being made in establishing wildfire resistance into cultivated types of tobacco: Wildfire is a serious and widespread bacterial disease affecting tobacco leaves. Since the development of the wildfire immune breeding line TL 106 in 1945, the characteristic of wildfire resistance has been incorporated into the different types of tobaccos of all major producing areas. Many experimental lines are now ready for extensive testing. Tests already completed indicate lower nicotine content and less firing, and suggesting possibilities for far-reaching improvement in disease resistance, quality, and growth characters.

HORTICULTURAL CROP INVESTIGATIONS

Research is conducted on (1) production and improvement of fruit, vegetable, nut, and ornamental crops; (2) development of economical methods of handling, processing, transporting, and storing fruits and vegetables so as to maintain quality and control diseases; (3) introduction and testing of new plant materials; and (4) control of nematodes causing crop damage. These crops include the great health protectors in our diet and are highly important staple food sources. For the 1950 crop or marketing year, they had a total farm value of approximately $2,800,000,000.

Selected examples of recent progress

1. Chemical thinning of apples becomes a commercial practice in the Pacific Northwest: About 20,000 acres of apple orchards were thinned in 1950 by using spray application of di-nitro at blossom time. In tests with Golden Delicious, chemical thinning increased yields by six boxes of apples per tree, about 15 percent chemical thinning costs only one-sixth as much as hand thinning.

2. New methods and new materials are more effective against apple scab. Using Elgetol as a spray on the ground under the trees before blossoming, followed by two applications of phenyl mercury spray before the fruits set, gave excellent control of the primary infections of apple scab fungus during 3 years of testing.

3. A new peach rootstock, S–37, found to be highly resistant to nematodes: The use of resistant stocks should materially reduce peach losses resulting from nematodes in Southern States.

4. New varieties of small fruits released: A new self-fertile table grape superior in yield and quality and adapted for California has been distributed under the name of Calmeria. Six new large fruited varieties of blueberries have been introduced for east coast States. Three new disease resistant cranberry varieties have been named and introduced. A new large, black-fruited, trailing blackberry superior for the fresh market, canning, and freezing has been introduced in the Pacific Coast region. Sioux strawberry, a winter-hardy drought-tolerant variety that yields heavily in June, has been developed for the Great Plains area.

5. Fruit drop of Pineapple oranges reduced by 2,4-D spray: Pineapple oranges sprayed in late December with the sodium salt of 2,4-D lost only 3 to 6 percent mature fruit by dropping by mid-February whereas unsprayed trees lost 18 percent in Florida tests. Temple oranges were favorably affected by similar sprays, but Valencia oranges were not affected.

6. Heavy manure applications in date orchards found to be unnecessary: Investigations in California indicate that substantial savings could be realized in many date gardens by reducing annual manure applications from currently used levels of 6 to 15 tons to 2 tons per acre and applying more chemical nitrogen along with leaf and fruit stalk prunings.

7. Research indicates that crop plants differ widely in tolerance of DDT in soil. Some crops are extremely sensitive while others are unaffected. For example, production of Stringless Black Valentine snap beans was reduced significantly in soil containing 50 pounds of DDT per acre. Sweet corn growth on the other hand was unaffected in soil containing 1,000 pounds of DDT per acre. Chemical analysis for DDT in the soil revealed no significant change in DDT content after four years of weathering.

8. Congo, a new watermelon variety, resists breakage while being transported. High eating quality plus good transportability have made Congo highly acceptable to growers, shippers, and consumers in commercial scale tests.

9. Two new disease-resistant snap beans released. Contender, a market and shipping bean for the South, yields more better-quality beans than Stringless Black Valentine. Topcrop, adapted to central and northern sections, is better than any other variety for home garden and local market use. Substantial quantities of seed of both varieties were available in the trade in 1950. More than 1,000,000 pounds of Topcrop seed will be available for planting in 1951.

10. The market value of Red McClure potatoes was increased through the use of 2,4–D. Applications of ¼ to 1½ pounds of the sodium salt of 2,4-D improved the skin color and market value of Red McClure potatoes grown in Colorado without significantly depressing yields.

11. Tulips can be forced to flower in winter months with artificial light. Possible practical application by the flower industry is indicated from experimental studies in which flowers of satisfactory quality were produced by artificial light. Conditions for optimum production and adaptability of different varieties to such culture are being studied.

12. Test plant is found for quick detection of crysanthemum stunt. The saving of a year in testing propagating stock is made possible by the discovery of Cineraria as a carrier of stunt that shows symptoms quickly. Stunt usually does not express itself until the second year, but it appears in Cineraria as early as 4 weeks after inoculation.

13. Thirty-one new varieties of crysanthemum and azalea introduced. During the past year, 21 new varieties of crysanthemum were named and introduced, including 10 developed especially for northern areas and 11 for the South. The 10 new azaleas introduced include garden varieties for as far north as New England and others especially adapted for forcing in pots by florists for Christmas and Easter.

14. Growth regulating properties found in many new chemicals. During the past year, 539 compounds were tested for plant growth regulating activity; 100 were found to be sufficiently active to warrant further study. Some compounds inhibited stem growth and others delayed the flowering of snap beans by 3 to 10 days.

15. Pressurized cabins found to be unnecessary for transporting cut flowers by air. Low humidity and high temperature rather than effect of altitude were found to be main cause of deterioration in California tests.

16. Marketing research findings have cut refrigeration costs on California early potatoes by $1,000,000 annually. Transportation investigations revealed that one reicing in transit is enough for potato shipments in April and May and that two reicings are enough in summer months. Most daily reicing has since been discontinued.

17. Prepackaging adds nothing to the keeping quality of fruits and vegetables. Investigations have revealed that prepackaging in consumer units is no substitute for refrigeration. Similar stuides with various types of film wraps indicate that small perforations are needed to allow entrance of oxygen and escape of carbon dioxide to keep most commodities in good condition.

18. Potato varieties vary greatly after storage for making chips. Tests on chipping quality of potatoes have shown that some varieties possess the property of being easily reconditioned for frying after storage while others do not. High

specific gravity of potatoes was correlated with good chipping quality and low absorption of oil. The chipping industry uses about 10 percent of the potato crop.

19. Much germ plasm continues to move through the Division of Plant Exploration and Introduction. During fiscal year 1950, 9,375 plant introductions were handled from 40 foreign countries, and more than 8,000 items were sent to 65 foreign countries. Introduced germ plasm is a primary source of genes for plant improvement.

FOREST DISEASE INVESTIGATIONS

Research is conducted to develop methods for preventing or controlling diseases on the millions of acres of national forests, parks, and other timbered areas, and diseases of shade trees and forest products. It serves the Forest Service and other governmental bureaus, State forestry agencies, municipalities, and private owners and is conducted in cooperation with them. Losses from disease approach or exceed the losses from fire. The work consists primarily of (1) identifying diseases of forest trees and products and determining their life cycles, and (2) developing effective and economical control methods and management practices, including the development of disease-resistant varieties.

Selected examples of recent progress

1. Disease resistant elm released. In carefully controlled experiments the Christine Buisman elm has demonstrated resistance to both Dutch elm disease and to phloem necrosis, the killing virus disease that is prevalent in the Midwest. Enough own-rooted stock has been produced from root cuttings to supply propagating stock to 53 interested commercial growers in 17 States. Planting stocks should be available from these nurseries within 3 years.

2. Methods have been found for controlling pine seedling root disease. Soil fumigation with ethylene dibromide before beds are seeded has proven effective in preventing root disease of southern pine nursery seedlings. As a result of this treatment a large Forest Service nursery, formerly threatened with abandonment because of the diseases, has resumed large-scale production of long-leaf, slash, and loblolly pine seedlings. Treatment of heavily diseased sections of the nursery increased the production of plantable stock by 40 percent, valued at 10 times the cost of treatment.

3. Improved methods have been developed in cooperation with the Forest Service for estimating more accurately in California forests the amount of cull timber due to decay. Errors in cull estimation in timber stands have been an important cause of financial difficulties in lumbering operations. In the future, cull due to decay will likely be higher in the timber to be logged in California and accordingly the improved methods of estimation will be even more vital than in the past.

4. Decay of stored pulpwood may be effectively delayed by small amounts of fluorides applied as a spray in pulpwood piles. The surprisingly protective effect of the fluorides has been indicated in recent preliminary studies in the South conducted in cooperation with the Forest Service. The fluorides apparently stimulate a relatively harmless mold which has an antibiotic effect on the decay organisms and makes the wood much more permeable to various fluids. Decay of stored pulpwood develops faster in the South than in the North. The studies in the pulp industry are being continued and the possible applications of these effects to other fields are being explored.

SOILS, FERTILIZERS, AND IRRIGATION INVESTIGATIONS

Research is conducted in the following four related fields:

Soil improvement, management, and irrigation investigations, including studies of fertilization, liming, tillage, crop rotation, and other production practices. These investigations are conducted at 46 field locations in dry-land, humid, and irrigation regions and are supported by basic laboratory investigations into soil-plant relationships, including studies of tilth, moisture, fertility, and soil organisms. Salinity problems related to soil and crop management are also studied.

Fertilizer, liming material, and soil amendment investigations to improve the properties, efficiency, and availability of these materials to plants. Farmers now use annually approximately 46 million tons of these materials having a retail cost of more than 750 million dollars.

Soil surveys to classify soils in a national system. Soil maps and reports are published for use in recommending and applying soil and crop-management practices on individual farms and for numerous land-use programs of Federal and State agencies.

Basic research regarding the effects upon plant nutrition of various mineral elements and growth factors in the soil and, through plants used as food, the effect of these elements on animal and human nutrition.

The program is closely integrated with the soils work of State agricultural experiment stations, the Soil Conservation Service, and other Federal agencies. Such integration and cooperation facilitates effective planning and research on the most urgent problems.

Specific problems to which efforts are being directed include:

1. Increased production of feed crops in the South, through better fertilizer practices and cropping systems.
2. The development of improved soil-management and crop-production practices for newly irrigated lands, such as are being developed in the Columbia, lower Colorado, Missouri, and other river basin areas, as well as for older irrigation projects.
3. Determination of the fertility needs and management practices for maintaining and improving productivity of dry-land areas where fertility levels are now declining.
4. Improvement of mixed fertilizers of higher analysis by granulation to better the properties affecting packaging, storage, and availability of nutrients to plants.
5. More accurate determination of the availability and use of nutrient materials by plants by use of radioactive materials.
6. Preparation of reconnaissance and detailed soil surveys of lands under consideration for development through irrigation or drainage in several river basins.
7. Improvement of the nutritive value of plants for human consumption and as a means of avoiding nutritional troubles in animals by studying the effects of fertilizer applications and other variables on the vitamin and mineral content of plants.

Selected examples of recent progress

1. Research is charting the course for settlers on newly irrigated lands in the Columbia River Basin. The first farm units will receive water from the Grand Coulee Dam system in 1952. Already studies on developmental farms have revealed that settlers will be able to grow such cash crops as alfalfa, sugar beets, corn, small grains, and vegetables. Crop varieties have been tested and fertilizer and irrigation rates have been determined. Yields per acre as high as 37 tons of sugar beets, 9 tons of alfalfa hay, 170 bushels of corn, 155 bushels of grain sorghum, 113 bushels of oats, 85 bushels of barley, 73 bushels of winter wheat, and 58 bushels of spring wheat have been produced.
2. Cost of tobacco fertilizer might be cut 15 percent by new discoveries. Intensive investigations have shown that only half as much nitrogen is available from water-insoluble sources as from standard water-soluble sources. Water-insoluble nitrogen is now used in most tobacco fertilizers. By switching to standard soluble sources tobacco fertilizer can be made 15 percent cheaper and the quality improved. A few fertilizer manufacturers are already making the shift.
3. Climatic factors other than precipitation are found to be potent in determining crop yields in dry land areas. Relative humidity during July and August was found to be most closely related to sorghum yields. Wheat yields were found to be more dependent on rainfall at critical periods than on rainfall for the crop season as a whole.
4. Mulch improves yields of fall-planted potatoes at Yuma, Ariz. A mulch of 3 to 4 inches of alfalfa straw over Warba potato plantings in sandy soils greatly increased potato yields. On the bare plots yields were 13, 27, and 82 bushels per acre for August 15, September 1, and September 15 planting dates, respectively, as compared to 89, 125, and 173 bushels for mulched plots on corresponding planting dates. Delay of the planting date on both mulched and unmulched fields increased yields and the Pontiac variety outyielded the Warba variety under mulch. The chief benefit of the mulch appears to result from lower temperatures at the seed piece depth in the soil.
5. Urea-form preparations found to be less effective than soluble nitrogen materials for certain crops. In 1949 about 1,400 pounds of urea-form were supplied for field tests on grass, tobacco, small grains, sugarcane, pineapple, corn, citrus, and cranberry in 12 States, Hawaii, Puerto Rico, and Canada. Urea-form was generally less effective than readily soluble nitrogen materials as fertilizer for citrus, small grains, and most crops. Urea-form gave good performance on centipede grass in Georgia, turf grasses in Ohio, and tobacco in Connecti-

cut. Experiments with perennial rye grass gave evidence of a delayed action and ability to supply available nitrogen over long periods of time. About 1,700 pounds of the material were prepared for field evaluation in 1950.

6. The use of chemical fertilizers on farms has increased 2½ fold during the past 10 years and now accounts for more than one-fifth of the total United States food production. Consumption in 1949 totaled 18,542,000 tons compared with 7,912,000 tons in 1939. At the same time the average plant nutrient content has gone up from 19.8 percent in 1939 to 21.2 percent in 1949. These advances have resulted largely from farmers and the fertilizer industry putting into use new knowledge developed through fertilizer and soil management research.

7. The first domestic plant especially designed for granulation of dry-mixed fertilizers was founded on the bases of research findings. The first commercial plant of this type was placed into operation during the last year. The fundamental characteristics of procedures used in developing the plant were based in a large part on past research studies of this Bureau.

8. Radioactive phosphorus experiments have revealed that water-soluble phosphates supply more phosphate to crops the first year than other forms, especially in the calcarious soils of the West. This information is serving as a guide for commercial production of phosphate from western deposits. Experiments are now under way in 20 States, and 50 field tests were carried out during the year. These experiments are aiding materially in advancing knowledge about the use of phosphate fertilizers and in studying plant root development and fertilizer placement.

9. Factors influencing the vitamin content of plants are being studied at the United States Plant, Soil, and Nutrition Laboratory. Findings indicate that the amount of light is apparently the most important factor in determining the ascorbic acid content of leafy vegetables and tomatoes, while storage is of considerably more importance in determining the ascorbic acid content of potato tubers than are the climatological variables measured.

10. Some crops found to be tolerant of salinity in western soils. Many soils of the West contain salts in quantities sufficient to seriously limit plant growth. Investigations on the tolerance of 13 truck crops, more than 20 forage and other field crops, and citrus and stone fruits have made possible a listing of these crops in order of their ability to grow satisfactorily on saline soils. The influence of climatic factors on the salt tolerance of crops has been determined. Alfalfa, barley, and several truck crops show very substantial varietal differences in salt tolerance.

11. Six million acres mapped for soil surveys last fiscal year. Detailed basic soil maps for 5,595,500 acres and semidetail and reconnaissance maps for an additional 544,600 acres were completed. Field surveys were in progress in 54 counties, 9 of which were completed. A total of 1,589 soil surveys have now been published.

12. Soil surveys in Missouri Basin. Soil surveys to provide the basic soil data for classifying land in proposed irrigation projects were initiated during the past year in five States in the Missouri Basin. One survey has been started in each of four States and two in one State. These surveys are being made so as to provide detailed information on soils required in land classification for irrigation and in subsequent development of irrigation projects.

13. In cooperation with several States, fertility status of soils by counties is being determined by utilizing soil test data accumulated from the many soil samples submitted by farmers. The data, in combination with adequate soil surveys, serve as a sound basis for evaluating educational and advisory programs at the county level. In Tennessee, for example, the data showed a high level of soil phosphorus in central Tennessee counties where soils were developed from phosphate rock, but lower levels in other counties. In tobacco- and cotton-producing counties in North Carolina, where heavy fertilizer applications have been used for a long period, soil phosphorus has been built up to a high level, while it is lower in other counties.

AGRICULTURAL ENGINEERING INVESTIGATIONS

This research is conducted in the following four major fields:

Farm machinery investigations are concerned with the improvement of farm machinery, equipment, and mechanical methods of planting, cultivating, fertilizing, and harvesting farm crops and combating their insect pests and diseases.

Farm structures and related investigations develop more effective barns and animal shelters, better structures for storing crops on the farm, and improve de-

sign and utility of farmhouses The farm investment in buildings, including houses, is approximately 20 billion dollars. Part-year storage on the farm for most of the grain, feed, and perishable crops is essential to orderly marketing of agricultural products.

Mechanical processing of farm products concerns the improvement of equipment and methods for handling and processing products on the farm or at local processing plants.

Farm electrification investigations include the application of electrical energy in the form of power, heat, light, and other forms as an aid in the production and processing of agricultural products, and the study of potential new uses of such energy on farms.

In the past 10 years farmers have changed from hand methods and animal power to machines more rapidly than in any other decade in history. They are using more than twice as many tractors as in 1939. Mechanization is far advanced in several crops, such as small grains and corn, but 90 percent of the cotton crop is still harvested by hand and some other crops still require almost as many man-hours of labor per acre as they did years ago.

Selected examples of recent progress

1. Plan development for low-cost farmhouses stepped up. A leaflet, Four Farmhouses for the South, illustrating four low-cost farmhouse plans, has been issued. Three plans of a group developed several years ago by the Farmers Home Administration have been revised and working drawings made. A fourth is well underway. Drawings of a group of minimum-sized houses that can readily be enlarged is underway. Heating, the sixth bulletin in the Your Farmhouse series, was published during the year.

2. More building plans for farm service buildings being turned out. Revision of the catalog of Plans of Farm Buildings for Northeastern States is ready for publication. At the request of the PMA, 17 drawings of grain bins and floor and duct systems for grain storage were prepared. Working drawings for a 10,000-bushel grain elevator with suggested drier lay-out were completed for use in the Midwest plan service. Work is continuing on the development and revision of a wide variety of plans for service buildings.

3. Bank barns found as satisfactory as above-ground barns in production of grade A milk. Temperature and humidity studies in 26 Wisconsin barns and milk-quality studies in 202 barns of both types were made because of discrimination of many milk sanitarians against bank-type barns. It was found that lighting and placement were more important than type of structure and that temperatures and humidity in barns of the bank type were lower in tests during each of the last 2 years.

4. Thousands of anchoring rings in use on CCC grain bins. Agricultural engineers, cooperating with industry and the Production and Marketing Administration, developed a foundation ring that successfully anchors circular grain bins against wind damage. More than 30,000 of these foundation rings are now in use on CCC grain bins throughout the grain-growing States.

5. A preproduction model tung-nut harvester, designed after a United States Department of Agriculture experimental model is being manufactured. In field experiments with the experimental model two men were able to gather and bag 1¼ tons of tung nuts per hour.

6. Tests show low-gallonage spray applications as effective as high-gallonage applications. Corn borers were controlled as effectively with low-gallonage sprayers as with conventional high-gallonage equipment in field experiments with DDT. These findings emphasize the need for developing equipment for better plant coverage with low-gallonage treatment. Labor costs are less with low-gallonage treatments.

7. Fertilizer placement studies underscore the importance of determining placement requirements for each crop. Onion yields were tripled in a Michigan test by placing fertilizer 3 inches below the seed, for example; while carrot yields were reduced 15 percent because of injury to the carrot seed and seedling roots from the same fertilizer placement in a New York test.

8. Improved stripper-type cotton harvester developed. Major features of the machine include spiral brush-type rollers, a pneumatic doffing and conveying system, and a sidewise movement of the gathering units. Preliminary tests showed good results under conditions that reduce the efficiency of other type strippers.

9. Machines that combine jobs cut farming costs. Combining several field operations into a single one offers great opportunity for cutting costs. United States Department of Agriculture agricultural engineers accomplished three-way

weed control in cotton with a single tractor equipped with a shovel cultivator, a flame cultivator, and a weed-and-insect sprayer.

10. Tractor-tire research reveals valuable information. United States Department of Agriculture engineers working with industry have determined that air-filled tractor tires with use of weights are more effective than water-filled tires in normally dry sand and loam soils common to Southern States. Furthermore, lug height of tractor tires was shown to be important in tests in these same soils. Low lugs were superior to high ones in sand; slightly better in loam. High and low lugs were on a par in southern clay soil. These same tests showed that rim width had little effect on the efficiency of tractor tire operation.

11. Sulfur dioxide was found to be a good preservative agent for drying alfalfa when drying is completed with a barn drier using natural air, in engineering tests cooperative with the Bureau of Dairy Industry on forage preservation. Under adverse drying conditions, 20 percent more carotene and 110 pounds more dry matter were preserved when sulfur dioxide was applied at the rate of 7 pounds per ton of dry forage. The treating of uncured baled hay with sulfur dioxide slowed down respiration for a period of from 1 to 2 weeks, thus delaying heating and mold.

12. New machine developments reduce processing costs of fiber flax. Investigations designed to reduce costs in the flax industry of the Willamette Valley of Oregon have resulted in the development of a 6-foot push-type flax puller. An artificial drier for retted straw has been designed that will greatly reduce processing costs without injury to the fiber, and construction of a full-scale drying plant is under way.

13. New processing service offered in freezer-locker plants. Agricultural engineers of the United States Department of Agriculture, working with the Michigan Agricultural Experiment Station and freezer-locker plant owners, developed efficient community fruit- and vegetable-processing kitchens that are easily incorporated in locker-plant operations. Both customers and plant owners benefited from this new processing service. The community processing kitchen is apparently headed for widespread acceptance.

National Arboretum

The National Arboretum occupies a site of approximately 400 acres in the District of Columbia. Basic developmental work has largely been done, including the clearing of land, and in recent years trees and shrubs have been transplanted from nurseries to permanent planting sites. However, much material is maintained in nurseries awaiting transplanting.

A program involving estimated expenditures of more than $2,400,000 for the long-term development of the needed roads, walks, buildings, and greenhouses has been developed in cooperation with the National Arboretum Advisory Council. This program, however, has largely been held in abeyance during the past 2 years as shown by the following tabulation:

Fiscal year	Amount	Purpose
1948	$350,000	Acquisition of additional land.
1949	328,000	Preparation of plans; construction of a gatehouse with rest rooms, construction of some roads; purchase of equipment.
1950	70,000	Construction of farm machinery and shop building, fencing, grading, and miscellaneous development work.
1951	43,950	Roads, paths, grading, utilities, and miscellaneous.

During fiscal year 1950, activities at the National Arboretum were as follows:

Program for development of physical facilities: Construction of approximately 2 miles of permanent roads was completed, two houses, acquired with the purchase of additional land, were relocated and rehabilitated, and certain woodland areas were partially cleared and the land prepared for permanent planting. Adjustments were made to permit the extension of New York Avenue by moving the permanent fence from the old property line to the new location. This involved dismantling and erecting 4,000 feet of chain-link fencing. Construction of the gatehouse was completed in August and the farm implement building was completed in September 1950.

Operation and maintenance: In addition to the usual maintenance of the 400-acre tract, a very large quantity of plant material was moved from the nurseries into permanent locations. On April 27, 1950, ceremonies were held for the dedi-

cation of plantings made possible by a donation from the Garden Club of America and presented to the Secretary of Agriculture. Work has been initiated on the flowering dogwood and allied plantings which are a memorial gift from the Woman's National Farm and Garden Association.

Some 8,000 persons visited the azalea display when the arboretum was opened to the public for 3 week ends during April and May. Many other visitors arranged to see the arboretum by appointment. The American Holly Society held one field meeting at the site of the holly collections.

The herbarium continued to expand with the accumulation of plant specimens at about the same rate as in previous years.

Mr. WHITTEN. I feel that if we are going to do all this splendid work, to fail to recognize it by putting it in the record would be a mistake.

Mr. ANDERSEN. I think you are right, Mr. Chairman. I think we should put more of it in the record.

FARM HOUSING RESEARCH

Mr. HORAN. Now, something came up this morning that disturbs this committee quite a bit.

We are doing all this work attempting to find a practical solution to the shelter end of taking care of our farmers that have to be serviced and assisted through the Farmers Home Administration, and we know, of course, Mr. Lasseter's attitude. He does not want to have the borrowers under FHA assume obligations that do not have any monetary return immediately, or, well, that never have, and he is opposed to a borrower under FHA spending too much money on houses at first, and you have prepared and have brought plans up that look fairly good to me. They are economical units, and can be built for a surprisingly small amount of money and can be added to or improved later on.

This morning, Dr. Reed indicated the need for houses for his help out at Beltsville, but the item that came up to us last year for 10 houses was $100,000. They cannot, of course, be built by the workers themselves. They have to be let by contracts, and the high cost of labor, and so forth, enters into it. Would you comment on the possibility of getting your divisions together so that we might be able to meet some of these needs along that line?

HOUSING FOR DAIRY WORKERS AT BELTSVILLE

Mr. LONG. The plans to which you refer, Mr. Horan, are in the minimum cost bracket and they are expandable. Starting with the basic unit of two rooms, which would include a bathroom, a kitchen, and a living-sleeping room, the equivalent of a two-room apartment with an area of about 500 square feet, they are expandable by the addition of two or three bedrooms, enlarged storage areas, et cetera. I am informed that similar houses were built in the southern region a few months ago for about $5 per square foot by force account. In the Washington area and with rising material and labor prices the costs that the Dairy Industry Bureau might find here would perhaps be higher.

Mr. HORAN. I doubt if they could build them at force account.

Mr. LONG. On the basis of 500 square feet and $5 per square foot, the minimum cost would be $2,500. Adding two bedrooms, I would say, would bring it up to at least $4,000 or $4,500. These estimates

are for the structures only. They do not include the electric lines, power lines, water lines, gas lines, streets and sewage disposal which would add to the cost.

I would like to say further that we have discussed these houses to some extent with the dairy industry representatives. They plan to use some of these designs in the houses they build.

Mr. HORAN. They need the houses.

Mr. LONG. They do need them. We have wondered whether it might be feasible for us to combine interests with them and put up one or two of these designs as experimental studies, using different materials, methods, and heating systems, and benefiting from their actual use. This has been a matter of discussion only. We have no program. We haven't gotten to the point of working out research objectives, but it would be very beneficial to us if a cooperative program of this kind could be developed.

Mr. WHITTEN. If you had in mind using it as an example, it would be hard to find a place that is visited more frequently than Beltsville, would it not, from an agricultural standpoint?

Mr. LONG. From the standpoint of visitors; yes. At this stage of the game we wouldn't be interested in visitors, per se. It would be our intent to determine the use of noncritical materials, the use——

Mr. WHITTEN. However, since the real benefit of any research that you do and any answers you come up with is for the public, and the more visitors you have to observe the results, the better job you would do of making the results available.

Mr. LONG. Of course, Mr. Chairman, we sometimes have failures in research.

Mr. WHITTEN. Well, it is just as important to keep a man from making a mistake as it is to help him to make progress, you know.

HOUSING ON COLUMBIA BASIN PROJECT

Mr. HORAN. This is rather important to me, and anything you fellows can contribute to it would certainly be appreciated by me.

Now, it was on the basis of that need that we asked you to do two things, and they have been done. One was to compile a list of the bulletins you had on housing, so that anyone who wanted to could build his own house and his own septic tank and that sort of thing. And quite a number of bulletins were cataloged for us.

We finally worked out a little slip of paper. I understand there has been considerable demand for it. And secondly, we asked for practical designs, utilizing the most practical dimensions and the simplest shapes of houses, so as to handle the least expensive sort of construction and yet be serviceable, and then this discussion came up this morning. And I think we should have an application of what you are doing actually in the shape of a house, some place, and I should think out at Beltsville, at the Dairy Department would be a good place to build them, because Dillard Lasseter, for another one, is going to have this problem right in his lap, and then he could have something to point to.

And bear in mind that as every nail is driven, the costs should be watched closely to see what we could do.

What I am saying now is an old thing, of course, because some of our architects that put out variously designed houses indicate how

much it can be built for here, there, and elsewhere in the United States. Apparently the standards on that exist and have been widely used. But that is what I had in mind in asking you these questions.

PAINTING AT PLANT INDUSTRY STATION

Now, why, when I was out at Beltsville at your institution last year, did I find the white paint off of your buildings and find them practically down to wood, when you have the Division here that is supposed to lecture to the rest of the Nation?

Dr. SALTER. Our buildings there were painted initially in 1942, Mr. Horan, and it was about time for a repaint job. They have now been repainted. That is the situation.

HOUSING FOR DAIRY WORKERS AT BELTSVILLE

Mr. WHITTEN. In connection with what Mr. Horan has said, I want to make this statement.

The committee is not saying that you should or should not go ahead. But, it is the attitude of the committee that if you can work out with the Bureau of Dairy Industry a joint operation, we will not take it as an effort to get around the will of the committee. I think the committee clearly was of the opinion last year that they had an urgent need for housing. But in view of the over-all financial situation of the Government, and the fact that building programs are needed in so many places, it was thought that you should not start out on a building program.

If there is some sound basis on which it can be worked out, that is all right.

Mr. LONG. Do I understand, then, Mr. Chairman, that if we can work out an objective research program and construct one or more actual houses, your committee will not consider it a misuse of research funds if those houses are put into actual use by the Bureau of Dairy Industry?

Mr. WHITTEN. I think it is foolish to say that you cannot use a house just because it is built for experimental purposes. Use is probably the best way to carry out your experiment.

HOUSING FOR COLUMBIA BASIN PROJECT

Mr. HORAN. To point this up still further, I would like to ask Dr. Parker what the reflections of your shop are regarding mass settlement of the Columbia Basin, when it comes to all the things that we will have to provide for, some of which we can't avoid?

People have lived in tents, and some of them can and will. Others will want housing funds, but we have got to mass settle it. We want it to be a successful project. We will have to build roads, schools, post offices. Probably the total funds will approach $100,000 for various things, and about half of that we will have to get from Federal sources.

What has been the thinking of your shop regarding the providing of shelter on the individual farm on a mass-settled large project?

Dr. PARKER. Of course, that comes outside of the function of our Bureau, but there have been discussions recently, between agencies

of the Department, including the Farmers Home Administration, and the Bureau of Reclamation on problems relating to the settling of newly irrigated land. The discussions included the problems of land-leveling and the development of irrigation systems; that would probably involve the Soil Conservation Service.

FHA Loans for Rural Housing Projects

Mr. Horan. Well, I do not know. Under this one, research is charged for this item having to do with settlers on newly irrigated lands in the Columbia River Basin. I know those studies have been going on for a long time, and they have been in conjunction with the State college and the Columbia River Basin Commission and others. They have been not only production studies, but since we do have a law which does provide for rural housing and for loans to be made for that purpose, some one in the Federal Government has got to evaluate the best way to apply that responsibility of making loans for that purpose. And, of course, in my estimation we could not have a better man to do that than Mr. Lassiter. I have every confidence in him. I am glad he is there.

So someone cannot escape this. And we do have to weigh this thing in, and we do have to have an answer when they say, "Now, I want to build a house on this place." Well, Farmers Home has been doing it.

I was in a milk house near Spokane 3 years ago. The Farmers Home borrower said he had built it himself and it had cost $800. I imagine the same house built by a contractor would probably have cost in excess of $3,000 and maybe even more. So the Farmers Home Administration has an answer, and I think we ought to all get together on that answer, because we can ruin that settler by giving him too much money all at once as he starts out.

Dr. Parker. Well, it is a problem that comes up a good many places. The Bureau of Reclamation indicated to the Department that they would be bringing in about 145,000 acres of new land in 1952 and maybe 240,000 acres in 1953. Obviously that presents quite a problem of settling—housing, roads, schools, everything.

Mr. Long. May I interject that these new plans we are preparing and which you have seen are designed specifically to aid self-builders. Many of these settlers should be able to build without skilled help.

Mr. Horan. Well, I am sure that is right. And in this case we recognize that Dr. Reed was completely helpless. If he built, it would have to be by contractor, and quite often contractors when they take a job from the Government expect to charge just a little bit more than what they would charge others. So this committee was trying to be jealous of our own responsibility in the matter

Limitation on Research Funds Available for Construction

Mr. Roberts. Mr. Chairman, involved in this building problem, too, we have a limitation in the appropriation bill on the amount of money that might be used for construction even for research purposes. Under that limitation any project which the two Bureaus might be able to work out, if it exceeds $5,000, would require appropriation language which would permit them to carry out such con-

struction. Between $2,500 and $5,000, the existing language provides that any construction is to be within an estimate submitted and approved by the Appropriations Committee.

Mr. LONG. Would that limitation apply to an individual structure or to a group of structures?

Mr. ROBERTS. It provides that the cost of constructing any one building, except headhouses connecting greenhouses, must be so handled.

Mr. WHITTEN. You might give attention to that and advise us before we finish the hearings. It strikes me that by the use of force account and other things perhaps you might stay under that figure. At any rate, if you will advise us, Mr. Roberts, before we finish we will be able to act a little better in case some action on the part of the committee is necessary.

Dr. Salter, we have not asked you in detail about a lot of your activities. This committee has gone into these matters periodically, and the indications are that you expect to go along with about the same force, and expect to give attention to such projects as may be found to be essential by the military.

However, at various times we have had questions raised as to the relationship between your own agency on soils work and that of the Soil Conservation Service. Have you made any special effort to see that there is no duplication of effort?

COORDINATION OF DEPARTMENT'S SOIL RESEARCH PROGRAMS

Dr. SALTER. Yes, Mr. Whitten. We have been working very closely with the Soil Conservation Service, trying to dovetail our programs together, so that there is not undesirable duplication. We also try to integrate our force, so that where they are doing work we can supply certain complements which they do not have, and they can do the same for us.

Mr. WHITTEN. It has been pointed out that in no case are you duplicating work geographically, since in one station you might be doing what they were doing in another station. Is that the answer to this charge?

Dr. SALTER. That is pretty largely it. Dr. Parker, of course, has charge of our soils work, and he and Dr. Nichols have lined their projects up and tried to see where they could fit them together best. I think they have made progress. I think there are some limitations, especially where neither one of us is able to provide the additional men that would be necessary to round out the job. But that is a recognizedly difficult matter at this time.

PROGRESS ON FARM HOUSING PLANS

Mr. WHITTEN. You feel that you have made splendid progress, Mr. Long, in connection with the housing program, do you?

Mr. LONG. We have been doing very well, Mr. Chairman. The commitments for Farmers Home Administration are perhaps two-thirds completed. These include the new designs they requested us to do and the plans they gave us to revise. We have assembled the lists Mr. Horan mentioned. We have published the little catalog sheets, and so forth.

Mr. WHITTEN. Last year everybody except custodial employees tried to get in on this program, and each Bureau requested additional funds for the purpose. The committee did not see fit to let them get in on it.

Have you folks been able to get along pretty well without all this additional help?

Mr. LONG. That is rather difficult for me to answer, Mr. Chairman. We have made progress toward our agricultural engineering objectives; there are other objectives which should be considered. We are doing some service work now on construction material surveys for normal farm housing and building requirements fundamental to a possible materials allocation program for the Materials and Facilities Branch, PMA, and some studies which BAE have asked us to make, which will implement their phase of this housing job.

In addition to answering Mr. Horan's questions on our farm housing research progress, Mr. Whitten, I would like to state that we have prepared a statement covering much of our agricultural engineering research activities. With your permission, we would appreciate having this inserted in the record.

Mr. WHITTEN. That is agreeable, Mr. Long.

(The statement is as follows:)

GENERAL STATEMENT

The dictionary defines engineering as "the science and art of constructing and using machinery, or of designing and constructing buildings; skillful management." Agricultural engineering, obviously, is engineering applied to the different phases of the agricultural industry.

The objective of agricultural engineering research is not, necessarily, to produce more per acre (although that can be done) but to produce more per worker, thus reducing the production and processing costs; to recover and preserve what is produced; and, in cooperation with other scientists, to find new packages and develop new marketable products.

Agricultural engineering is an important factor in the productive operations of every farm in the United States. In its various aspects and services it contributes also to the comfort and attractiveness of farm living. The ramifications of agricultural engineering research and the opportunities in its development are so great, that one of the most difficult features in administering the agricultural engineering research program is that of selecting the relatively few projects of greatest importance and timeliness in keeping with a productive, balanced program, commensurate with our personnel and with our physical and financial resources. Most of our current projects have a direct or indirect relationship to a national defense program or can be realined to provide personnel and facilities to serve emergency needs.

First, I should like to give a brief résumé of the economic return from a few of our project accomplishments in recent years. Naturally, I have selected some of our more noteworthy projects for this discussion. It is inherent in research that some ideas and projects develop satisfactorily and that others are less productive. I shall mention some of the latter further on in this report.

1. During the fiscal year 1950, the Commodity Credit Corporation purchased grain storage bins, buildings and equipment to the extent of more than $100,000,000. Subsequently, some 400,000,000 bushels of shelled corn from the 1948 harvest was acquired in the price-support program and placed in this storage.

Agricultural engineers reviewed the engineering features in the selection and acquisition of the storage units and equipment, and worked with the bidders to make improvements in their designs. Out of a total of 500 bids the engineers selected approximately 80 as functionally and structurally acceptable for purchase by the Commodity Credit Corporation. Although time did not permit as thorough supervision in either the office or the field as desirable, the work performed by the engineers helped materially to improve the quality of the grain storages acquired.

2. The farm housing loan program conducted by the Farmers Home Administration is another action program in which the research agricultural engineers

performed important service. Plans and specifications are required for any construction loan program in order to insure that the money loaned on any individual project is used for the specific purpose for which it was granted. They are necessary, also, to insure that the Federal loan program is directed toward its primary objective—that of securing more suitable, comfortable, and attractive homes for farm families within their economic means. The modest farmhouse research project that has been underway for some years has proved its economic worth to the Government. For fiscal year 1951 the combined plan service and complementary research in farm housing is costing 0.4 percent of the amount of the loan program. If commercial architects had been employed on each individual house plan at the customary 5-percent fee, the additional cost would have been $1,242,000.

3. The USDA Cotton Ginning Laboratory at Stoneville, Miss., is the recognized research headquarters for the cotton-ginning industry. For more than 30 years it has been serving growers and ginners by developing improved ginning processes. The leadership of the laboratory is based on its numerous contributions to the cotton industry; for example, over 5,000 of the 9,000 gins in operation condition the seed cotton with driers constructed on the laboratory specifications. These gins processed more than 10,000,000 bales in 1949 and increased the value of cotton on an average of $2 per bale—an additional return of $20,000,000 to the cotton growers. As the older gins are modernized or rebuilt, the benefits due to better preparation will increase proportionately.

4. Some 1,500 USDA-type lint-flue cleaners have been installed in commercial gins. These have increased the grade of ginned cotton on the average of one-third grade or possibly $5 per bale. This device, based on the laboratory's research, has already added $5,000,000 to the cotton-growers' income. When the lint-flue cleaner comes into general use in the remaining 7,500 gins the increased income to cotton growers will total $30,000,000 based on the 1949 crop. Aside from these two engineering developments, the laboratory has been granted 23 public-service patents and others are pending.

5. The application of electric energy to agriculture is in its infancy, yet several outstanding research findings are available to the 4½ million farms now having high-line service. A simple, inexpensive type of electric heater is the most practical method of supplying heat in the farrowing pens of young pigs. Death losses of early spring pigs have been reduced 17.4 percent by the use of such equipment, which has been adopted more or less generally by farmers in the Midwest. If used by all hog raisers, Corn Belt farmers alone would have 10,910,500 more hogs or could have reduced the number of farrowing sows by 1½ million. In addition, such protection devices enable farmers to move the farrowing date into late winter and benefit from the August market price.

6. Improved bright-leaf tobacco-curing methods and equipment are reducing costs for curing tobacco by 50 percent. Development of improved curing equipment and electrical controls combined with safety regulations is also responsible in part for 66 percent reduction in losses of tobacco-curing barns by fire between 1946 and 1949. This reduction in fire losses alone exceeds $2,000,000 annually. The potential saving in fuel cost is estimated at $10,000,000 each year, while the quality of tobacco is increased materially.

7. Tractor tire tests under way at the tillage machinery laboratory, Auburn, Ala., indicate that a saving of 10 percent in fuel costs in tractor operation can be made by farmers who use properly designed farm tractor tires. The 3,825,000 tractors now on the farms in the United States use about 4,000,000,000 gallons of liquid fuel per year, at a cost of over $400,000,000 per year. If the improved design of tractor tires were generally used, with a fuel saving of 10 percent this would reduce farmers' tractor operating costs $40,000,000 per year.

8. Seeding rates for sugar beets have been reduced from 20 pounds per acre to less than 4 pounds and hand labor for thinning has been reduced one-fourth to one-third through cooperative research. For the acreage harvested in 1949, there would be a potential saving of about 1,000,000 pounds of seed, or a quarter million dollars for seed alone. To this may be added the significant saving in labor, amounting to about $7,000,000 making a total reduction of $7,250,000 in the farmers' production costs for the 1949 crop.

Research engineers are specialized, technical personnel. Within limits, it is possible to shift individuals from one project to another. More frequently, when one problem is solved it is desirable to give these men who have developed competence in a specialized research field responsibility for another phase of the same project, thus capitalizing on their experience to the greatest extent and enabling them to render the most effective, efficient service.

Research projects are sometimes completed and closed. At other times, the research continues to develop economic results as the emphasis changes from one objective to another. Research is a continuing program, like any other service program. It requires administrative judgment to determine when the results of any one project have passed the peak of their economic return. In spite of the fact that financial support of the revitalized agricultural engineering research program during the past six years has not permitted many opportunities for shifting of emphasis, there have been significant moves of this nature, as illustrated by the following examples:

1. The primary reason for the high incidence of undulant fever among farm families has been the use of raw milk. Two years of work by an engineer in our Division of Farm Electrification in cooperation with the Connecticut Experiment Station resulted in the design of a domestic pasteurizer that operates on a simplified pasteurization schedule. This equipment is now in commercial production. The personnel and funds formerly assigned to this project are now directed to a serious poultry house ventilation problem and to tobacco conditioning in the Connecticut Valley.

2. One engineer employed on the farm grain storage program in the Midwest has been reassigned during the current fiscal year to study the critical problem of grain sorghum storage in the humid costal area of Texas.

3. One engineer who has been working on potato-storage problems in Colorado for the past 6 or 7 years has been given new assignments on the same problems in Minnesota and North Dakota.

4. One engineer was transferred from grain storage to onion storage.

5. One engineer who has been working on pesticide application equipment research at the Toledo, Ohio, laboratory was loaned the first of the year to work with the aeronautical engineers in designing the dispensing equipment to be built into the experimental airplane being constructed as the first phase of the cooperative agricultural aviation project located at the Texas Agricultural and Mechanical College.

6. A project conducted by the Division of Farm Electrification on the use of bactericidal lamps in poultry houses for disease control resulted in inconclusive data in two seasons work, but did result in increased egg production in the irradiated pens. The project has been rewritten and the objective changed to determine the fundamental reasons for the production increase.

These few illustrations will show the continual change in research programs that are not always apparent in general statements—the shifting of research personnel or funds to meet emergency needs, to service action programs, or to initiate new activities that promise to be more productive than those that have been under way. A survey of our program shows that 14 percent of our technical personnel have been reassigned to essentially new projects during the past and current fiscal year.

The goals of agricultural engineering research are: Development and improvement of field machinery to produce with fewer man-hours per bushel and with due regard to soil and water conservation; harvesting machinery to recover the highest possible part of the crop produced; structures to reduce chore labor, conserve field-fresh quality of agricultural products, and to prevent waste; effective use of electric energy about the farm and in the home; transportation to deliver farm products to the markets without waste and in as nearly the condition they are when they leave the farm; and processing to make the farmer more than just the supplier of raw material.

The program does not deplete our agricultural resources or develop surpluses. It places more nutritious food on the dining table of people everywhere. And it gives the individual farmer greater control over his costs of production, tends to enable him to control the quality of his commodities, and to produce profitably at lower market prices.

Finally, in the words of Harold A. Young, president of the National Cotton Council, "The farming mechanization program offers an opportunity to take some of the drudgery out of farming. It offers an opportunity of increasing tremendously the productivity and earning capacity of the individual worker. * * * A thriving agriculture is essential to our civilization. And agriculture will continue to thrive only so long as we can keep on the farms a substantial part of our most capable rural youth."

Mr. WHITTEN. What plans do you have at the Brawley station? I notice you are now setting up funds for its operation.

Dr. SALTER. Dr. Parker, would you mind discussing that?

Dr. PARKER. The Brawley, Calif., station, to just review it briefly, will probably have construction of buildings and facilities finished about the 1st of June. It will represent a total investment of about $350,000, which includes the land that was transferred to the Department by the Imperial Valley Farmers Association.

The station was first authorized in fiscal year 1949, and since that time we have increased the amount of money being expended there from $22,000 to nearly $50,000 for carrying the program.

In addition to that, we have put in some money for equipment, which was on a nonrecurring basis.

Under the requested increase of $85,000, we would expect to devote a substantial part of it to field crops, giving emphasis to sugar and to some cereal crops. Fruit and vegetables would receive approximately one-third of it with emphasis upon the truck crops of the area and some on citrus and dates.

About $25,000 of the $85,000 would be used for soil management and irrigation studies on fertilizer use and water use.

I might say that we have had our first planning conference with the Brawley Farmers Association last fall and spent a good full half day with them discussing plans as to what should be done. Reports of that conference were sent to experiment station directors of the States that will be interested in the operations of the Brawley station; namely, Texas, New Mexico, Arizona, Utah, Nevada, and California. The California Experiment Station and the Soil Conservation Service participated in the conference, but the other States did not.

Mr. WHITTEN. Are there any further questions?

If not, gentlemen, we thank you very much. I think you are doing a mighty good job.

MONDAY, FEBRUARY 19, 1951.

FOREST SERVICE

WITNESSES

LYLE F. WATTS, CHIEF, FOREST SERVICE
EARL W. LOVERIDGE, ASSISTANT CHIEF, FOREST SERVICE
C. M. GRANGER, ASSISTANT CHIEF, FOREST SERVICE
E. I. KOTOK, ASSISTANT CHIEF, FOREST SERVICE
R. E. McARDLE, ASSISTANT CHIEF, FOREST SERVICE
HOWARD HOPKINS, ASSISTANT CHIEF, FOREST SERVICE
HENRY WOLD, BUREAU BUDGET OFFICER
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. Mr. Watts, we are glad to have you and your staff with us this morning. We will insert, at this point in the record, pages 333 through 335. We will be happy to have your general statement.

(The pages of the justifications are as follows:)

PURPOSE STATEMENT

The Forest Service is charged with responsibility for promoting the conservation and wise use of the country's forest and related watershed lands, which com-

prise one-third of the total land area of the United States. Authority for the work of the service stems from numerous acts, the more important ones being the Timber Culture Repeal Act of March 3, 1891; Sundry Civil Appropriation Act of June 4, 1897; Transfer Act of February 1, 1905; Weeks Act of March 1, 1911; act of June 7, 1924; Forest Research Act of May 22, 1928; and Cooperative Forest Management Act of August 25, 1950.

To meet its responsibility, the Forest Service engages in three main lines of work, as follows:

(1) *Management, protection, and development of the national forests.*—Under instructions from Secretary Wilson in 1905, this is to be done for "the greatest good of the greatest number in the long run." This in turn calls for obtaining the maximum practicable yield and use of their many resources on a continuing basis, to meet both local and national needs, under both normal conditions and during times of stress. The 181,000,000 acres of national forests are located in 40 States, Alaska, and Puerto Rico.

In managing the national forests, technical forestry is applied to the growing and harvesting of timber crops. Estimated harvest through timber sales in 1951 is 3.8 billion board feet. The grazing of approximately 9,000,000 head of livestock is scientifically managed to obtain range conservation along with use of the annual growth of forage. Watersheds are managed for regulation of stream flow, flood control, sources of water for power, irrigation, navigation, and municipal supply. Some provision is made for the more than 20 to 50 million visits of people to the national forests for recreation purposes. Effort is made to apply needed scientific management to the extensive wildlife resources. Receipts from timber sales, grazing permits, and other sources exceeded $34,000,000 in 1950. Estimated receipts for 1951 are $42,000,000.

The protection of the national forests is a major responsibility and includes the control of forest fires which numbered 9,736 in the first 11 months of the calendar year 1950; the control of tree diseases and insect epidemics; and the prevention of trespass.

The major development activities on the national forests consist of—

(*a*) Reforestation of denuded and lightly stocked forest lands.

(*b*) Revegetation of denuded range lands.

(*c*) Construction of improvements, mainly roads which are extremely important (and largely self-liquidating) because of the large bodies of inaccessible mature and overmature timber on the national forests which are needed for housing and other uses. One-third of the remaining sawtimber in the country is in the national forests.

(*d*) The acquisition of additional forest land through purchase and exchange.

(2) Cooperation with the States and private forest-land owners is provided by the Forest Service—

(*a*) To obtain better fire protection on the 427,000,000 acres of State and privately owned forest lands.

(*b*) To obtain better forest practices on and returns from 345,000,000 acres of commercial forest lands in private ownership. Only about 8 percent of the cutting on such lands is now being done in line with good forestry practice.

(*c*) To aid in the distribution of planting stock to private forest-land owners for the purpose of establishing forests and shelter belts.

(*d*) To stimulate development and proper management of State, county, and community forests.

(3) *Forest and range research.*—The Forest Service conducts investigations in the entire field of forestry and range management, regardless of ownership, including the growth, protection, and harvesting of timber; management of range lands; protection and management of watersheds; and research in forest economics. It is conducting a forest survey of the United States—a study of present extent and potential growth and utilization of the Nation's forest resources. Research to obtain greater use of the tremendous waste and to obtain more efficient and economical utilization of forest products is a major program, centered at the Forest Products Laboratory, Madison, Wis. The results of research are available to consumers and manufacturing plants generally, to the more than 4,000,000 owners of private forest and range lands, and to the many public agencies which administer such lands.

In addition, the Forest Service carries on the following activities:

(4) *Flood control.*—In areas assigned by the Secretary, the Forest Service makes preliminary examinations and surveys under the Flood Control Act of 1936, as amended and supplemented, and installs watershed-improvement measures to retard runoff and reduce floodwater and sediment damage in congressionally

authorized watersheds. The Service has primary responsibility for watershed-improvement measures on national forests and adjacent range lands used in conjunction with such forests and other forest lands. Work on non-Federal lands is carried on in cooperation with appropriate State and local agencies.

(5) *Work performed for others.*—Because of the widespread geographical location of Forest Service activities, the technical skills available in the organization, and for other similar reasons, the Forest Service is frequently called upon to perform services for other Federal, State, and private agencies on a reimbursable or advance-payment basis. All projects benefit the Forest Service as well as the cooperator. Examples of these activities are:

(*a*) Protection of private and other Federal forest lands intermingled with the national forests.

(*b*) Disposal of slash resulting from sales of timber to contractors on national forests, and the rehabilitation of such areas.

(*c*) Construction and maintenance of roads, and other improvements.

(*d*) Investigations in forest, range, and water management and utilization problems.

(*e*) Cooperative survey, mapping, administrative, reforestation projects, etc.

(*f*) Cooperation with the National Production Authority on requirements, production, and supplies of forest products and in stimulation of production through various devices.

The Forest Service maintains its central office in Washington with program activities decentralized to 10 regional offices, 135 forest supervisors' offices, 750 district rangers' offices, 12 forest and range experiment stations, the Forest Products Laboratory, and 62 research centers. On November 30, 1950, the Forest Service had 8,944 full-time employees, of whom 322 are in the central office and the balance in the field, and 1,959 part-time employees in the field. The November 30 employment figures for the field are lower than average for the year because of seasonal factors.

	Estimated, 1951	Budget estimate, 1952
Appropriated funds:		
National-forest appropriations	[1] $44,801,525	$54,297,000
Cooperation with States	10,832,800	10,820,000
Research appropriations	5,220,500	5,345,000
Total appropriated funds (excluding permanent appropriations)	60,854,825	70,462,000

[1] Excludes $1,155,062 available from prior-year balance.

General Statement

Mr. Watts. I am glad to be here again, Mr. Chairman, and to have this opportunity to discuss the work of the Forest Service and the program that we would consider for the coming year.

I think that Secretary Brannan expressed more clearly than I can the considerations upon which the estimates before you are based. He stated that under more normal conditions we would regard the proposed budget as less than adequate to meet essential needs.

I believe that to be true of the Forest Service estimates. They were worked out in the light of the defense mobilization program, and with the present financial and manpower situation definitely in mind.

We have tried to make our 1952 fiscal-year estimate fit that situation without undue sacrifice of the more normal, long-time need.

You will find that nearly all of the increases asked for are directly related to defense mobilization and that all of them are of immediate need. Fortunately, by temporary overcutting, we have the forest resources in this country to meet any conceivable short-time demands. We have the forest land to ultimately produce all we might need for the long pull provided we put those lands to work and practice a reasonable kind of forestry on the land.

RECEIPTS

I would like to say now, Mr. Whitten, that the emphasis and the support which the Congress has given to forest conservation year after year is paying off now. For example, the benefits from the investment in forest-fire control, year after year on both public and private land, are almost impossible to estimate. The investment in the management of the national forests similarly finds them in shape to increase their contribution to defense mobilization now. They are doing it now. Whereas the amount of timber cut from the national forests was slightly over 3.5 billion board feet in fiscal year 1950, it will be close to 4.25 billion board feet in 1951. The receipts to the Treasury have increased even more sharply—probably well over $40 million in fiscal year 1951.

Mr. HORAN. Mr. Chairman, the Secretary said "$50 million."

Mr. WATTS. It may well be close to 50.

Mr. GRANGER. The Secretary was talking about the total, Mr. Horan. Mr. Watts is speaking only of receipts from timber sales.

Mr. WATTS. I said well over $40,000,000 in 1951 and it should be perhaps 25 percent higher in 1952.

Thus, in considering our budget, we have given the greatest emphasis to the acute need for more access roads to open up new areas of timber and to the necessary technical personnel to prepare for, process, and administer a greater volume of timber-sales business.

Similar emphasis is given to the need to strengthen prevention and the initial attack on forest fires. The justification, simply stated for this, has three major considerations. First, we cannot afford to weaken our forest-resource situation by letting them go up in smoke. Second, fighting forest fires which could have been prevented or put out when small is extremely wasteful of manpower essential to industrial expansion at this time. Third, military and civil defense requires that we prepare to and do keep down forest fires.

The only other increase in national forest protection and management is for reseeding depleted grazing lands. This again is related directly to the need for greater production of meat and wool.

RECREATIONAL USE OF NATIONAL FORESTS

I think I should tell you that I am somewhat uneasy about the situation—and we participated in it—not to ask for an increase for recreational use in the national forests. With full employment, especially in the West, and with no restriction on the use of gasoline and tires, this use will probably increase sharply. As you know, it is beyond our financing to do as good a job as we should do now. I hope the situation will not get out of hand too far. In any event, sacrifices must be made in the interests of those activities that just must be done to meet the present situation.

RESEARCH WORK

In research, we have limited our requests for increases to just those that seemed absolutely essential now. For example, we have asked for the very minimum to start some research work in northern New Mexico and to give reasonable attention to the tropical forests of

Puerto Rico. I visited both of those areas quite recently and am convinced that a major contribution can be made in both instances to the economic and social situation which those two areas do have. In addition, there is a small increase to strengthen our work in forest-fire research and to speed up the Nation-wide forest survey.

When you reach the "State and private forestry" item, I want to suggest that you explore there the need for some increase in Clark-McNary fire protection. The estimates before you do not include such an increase. We would like to have your judgment as to whether or not it should.

As in the past, Mr. Loveridge will give the detail in such things as "Administrative management and personnel." Mr. Granger will handle the "National forest" item. Mr. Kotok, the "Research" items. Mr. McArdle will cover the "State and private forestry" work; and Mr. Hopkins, "Land acquisition."

I think perhaps, in the interest of saving your time, that would be all I would need to say at this time.

RELATION OF FOREST SERVICE PROGRAM TO PRESENT EMERGENCY

Mr. WHITTEN. Mr. Watts, we are always glad to hear from you. In the past, I have expressed a little concern about some of the bigger problems in time of emergency. This is not directed particularly to your bureau, but certainly your bureau is no exception. The minute an emergency develops and we have to spend our money on those things that are most essential, we do not find any agency or department that can reduce below what it had last year, and we find every department alining themselves with some defense effort so as to ask for increased funds.

Despite the fact that we owe $270,000,000,000, and the dollar is down to 55 cents and headed lower, everybody has to have all he had last year, plus some more.

What is the answer?

Mr. WATTS. I am sure, Congressman, that I am not competent to answer your question.

Mr. WHITTEN. You are about as competent as anybody. I doubt if anybody is fully competent to answer.

Mr. WATTS. I will say this: That, with regard to the budget before you, we have had that definitely in mind. In my own viewpoint, for whatever it is worth, I do not believe that the emergency in which we now find ourselves will be one that will be over in a very few years. I think it would be most unfortunate if, in meeting the emergency, we allowed our natural resources to deteriorate.

Mr. WHITTEN. I agree with you on that.

TIMBER SALES

Mr. WATTS. Fortunately, the biggest increases we are asking for do not contribute to the deficit situation. Timber-sale receipts are increasing rapidly, and that is where the biggest increase is asked for.

Mr. WHITTEN. Now, this timber-sale business is fine; but, if you would give me the land and give me the timber and then pay me my salary, I expect I could come out very well, too. That is what you have. The Federal Government furnishes the land, the growing

timber, and pays for the cost of operations. You cannot lose on that kind of basis.

Mr. GRANGER. You can make money on it mighty fast.

TIMBER-ACCESS ROADS

Mr. WHITTEN. Now, to listen to you talk you would believe that the only way to get this timber out is for the Government to build the roads. You never point out that there is a two-way approach to this problem. One is for the Government to build the road, and the other is to sell the timber, allowing the purchaser to get it out. It is never presented to us on an alternative basis, to get the comparison.

Mr. WATTS. The bulk of the cost for timber-road building is now borne by the purchaser.

Mr. WHITTEN. Since you have been with the Department, how much have we spent on forest roads and trails for this access-timber business? How much has been spent?

Mr. GRANGER. Do you mean just for timber-access roads alone?

Mr. WHITTEN. Yes; the same type of roads for which you ask for an increase. What is the total that you folks have had?

Mr. GRANGER. I do not have a total figure right at hand.

Mr. WHITTEN. What is your estimate?

Mr. GRANGER. I do not know how much we have spent for timber-access roads alone, but you will recall that during the war period we got no money for construction at all of any kind. It was all for maintenance.

Subsequent to the war, when the housing boom was on, we got about $13 million from the Housing Expediter to build roads for timber access. That was spent for that purpose.

During the war itself, we got some emergency road-access money—I believe about $3 million—which went into the construction of timber-access roads.

Since the war, our appropriations I imagine have averaged about $2 million above the need for recurrent maintenance and replacement of bridges that are falling apart.

Therefore, as a rough estimate, I would say that for the last 5 years we have been able to spend something less than $2 million a year for roads serving our timber-access needs.

CONSTRUCTION OF ROADS

Mr. WHITTEN. As a matter of fact, Mr. Granger, since the war you have had more money for access roads than you have had throughout the history of the Department prior thereto. Is that not right?

Mr. GRANGER. I rather doubt that, because in the earlier years much more of the money could go into the construction of roads.

Mr. WHITTEN. You have had more money for construction of roads since World War II than you had in the history of the Department before that. That was all gotten on the basis that "If you will let us build those roads, we can use those roads and continue to get out timber."

Mr. GRANGER. That is right, and that has been the result.

Mr. WHITTEN. I would like a detailed report showing how much money you have gotten through the years for access roads. I would

like for you to show it by roads. I would like you to give us a report on how much timber moved over those roads each year. We might as well settle this thing once and for all as to whether this is tied into defense. I quite frankly think there are lots of ways to handle this thing other than by providing a $7 million increase.

RELATION OF FOREST SERVICE ROAD PROGRAM TO NATIONAL DEFENSE

Who came to you and asked you to increase this request, in the name of national defense?

Mr. WATTS. It has been discussed with the National Resources Security Board, prior to the more recent mobilization set-up.

Mr. WHITTEN. You did not discuss it with them before you sent your request to the Department; did you, Mr. Watts?

Mr. WATTS. Oh, yes.

Mr. WHITTEN. To the Department?

Mr. WATTS. I rather expect so. They were in action at that time.

Mr. WHITTEN. You are the head of this outfit. You should not have to rely on suspicion.

Mr. WATTS. I cannot remember the exact dates it was discussed with NRSB. I am not relying on suspicion. They have been discussing it with us almost ever since they were set up. Also, the NPA organization, the National Production Authority, has been discussing it with us.

Mr. WHITTEN. So frequently, Mr. Watts, you set up these new organizations.

We had an example here the other day where an official could not even submit for the record any tests for backing up his request for starting out on a $50 million program. He was with National Defense.

I am going to call the National Resources Board over here. I tried to get them over here on this other problem, and they admitted they didn't know anything about it. We will see what they know about this.

Why is it the military cannot use all these camps and bases that were set up during the last war. Do you know?

Mr. WATTS. No, sir.

Mr. WHITTEN. Have you made any effort to see why we have to spend this additional $5 million to develop resources?

Mr. GRANGER. Mr. Chairman, a lot of the lumber the military needed in the last war was not for camps. A great part of it was for crating material that had to be shipped abroad. A good deal of it was for camps, but there was a lot of it used for purposes of that kind.

This matter of additional access roads has been under discussion with us for, I would imagine, a couple of years, by the National Resources Security Board, which has now more or less passed out of existence.

Mr. WHITTEN. Did they come to you about access roads or did you go to them?

Mr. GRANGER. No, sir; they came to us.

Mr. WHITTEN. They asked about timber; and you said, "If you will give us these access roads, we will get more timber"?

Mr. GRANGER. One of the people on the staff over there, as a result of his experience in the Second World War, was quite familiar with the problem of how to get more production from timberlands, both in public and private ownership. He knew the needs for additional access roads in general terms. He came to us repeatedly and asked what could be done to get more roads opened up so that the output of timber could be increased.

Mr. WHITTEN. Would you mind giving us the name?

Mr. GRANGER. Here is a letter which does not use the term "access roads" in itself, but it is a letter of December 7, 1950, from a member of the National Security Resources Board to the Chief of the Forest Service, emphasizing the need for opening up more publicly owned timber in order to increase the output.

Mr. WHITTEN. Did he say anything about building publicly owned roads?

Mr. GRANGER. I do not think he mentioned that in that letter.

Mr. WHITTEN. We will attempt to get that man over here, as well as the head of the National Security Resources Board. We might as well find out how much attention is being paid to the national resources. We have two resources here: One, the forest resources of the country; and the other, the financial resources.

Mr. GRANGER. We have attended two meetings recently of advisory committees over in the National Production Authority, representing the industry, and they have been asked as to what they could do to increase the output of various timber products. One of the prominent subjects of discussion at both of those meetings was the need for additional access roads to Government-owned timber.

The National Production people have been urging that that be given more attention.

Now, we are not tying this thing exclusively into defense, Mr. Chairman. We have been talking about timber-access roads, with your committee, before the defense situation became so acute. There are a number of sound business reasons why it is well for the Government to build the main roads into these large bodies of timber that are still inaccessible. For one thing, it increases the opportunity for competition. We submitted, I think, on several occasions, examples of where Government construction of these roads brought more bidders.

Mr. WHITTEN. That would not enter into it when you have price control; would it?

Mr. GRANGER. I am trying to show that it is not because of any sudden defense situation.

The construction of these roads by the Government enables us to manage our timber better than where we have to depend exclusively on operator construction.

Mr. WHITTEN. Does that result in a saving and a reduction in your management expenses?

Mr. GRANGER. It results in a saving of the resource itself and a better utilization of it.

DISCUSSION OF REDUCTIONS IN 1952 ESTIMATES

Mr. WHITTEN. How big is your Bureau, Mr. Granger? How much money did you have last year?

Mr. LOVERIDGE. It is shown at page 335, Mr. Chairman. We had $60,854,825, of which $27,000,000 was for national-forest protection and management.

Mr. WHITTEN. A total of $60,000,000, and you tell us that you are giving attention to the national situation. Is there any place in the whole $60,000,000 where you can save a dime?

Mr. GRANGER. I think that is a question that cannot be answered "Yes" or "No," Mr. Chairman.

Mr. WHITTEN. Is there a reduced request in your whole budget this year as against last year?

You say you want to give attention to the national defense. You want this additional $7,000,000 for roads.

Now, as never before, we must put first things first. Is there a single item in your $60 million budget where you have reduced the amount below what you had last year?

Mr. LOVERIDGE. Page 336, Mr. Chairman, shows a $150,000 cut in "Acquisition of lands for national forests," and $12,800 in "State and private forestry cooperation." In addition, there has been a shift in the emphasis.

Mr. WHITTEN. On those two items, tell me what you asked your Department for. That is what the Bureau of the Budget let you get up to us with. What did you ask the Department for?

Mr. LOVERIDGE. We asked the Budget Bureau for the same amount we had last year.

Mr. WHITTEN. So, you are telling us that, despite this national defense need, you have been unable to cut yourself down one bit on your regular work.

Understand, I know forestry is important and you folks believe in what you are doing. I believe in it, but what are we going to do? Where is the end? If one of the biggest Bureaus in the Department isn't willing to give and take a little or recognize some responsibility for the national economy, what kind of a situation is the Congress or the American people in? You know your job. We do not. I ask questions and try to find out as best I can, but I do not know your Bureau, and I do not know your Department. But, if you folks who run it cannot find one place where you can cut out a dime in view of the present emergency, I am afraid to risk your judgment on how much extra money we should spend. If you cannot find a dime that you can save out of a $60,000,000 operation, I just doubt if your judgment is sound on how much extra money we ought to spend.

Mr. WATTS. Mr. Chairman, the considerations that went into the estimates before you were by the Forest Service, the Department, and the Bureau of the Budget. Each has qualified men who know forestry in this country. It is not just the Forest Service. It seems to represent what the executive branch all the way up the line feels should be done.

Mr. WHITTEN. That have come to you, and they rely on you as to how you can get the timber out. You say, "If we get more money, we will get the timber out."

It comes right back to you. These folks know nothing about it.

Mr. LOVERIDGE. Could I comment on a few of the points? In "National-forest protection and management," for which we now have $27 million, we might make cuts which would result really in

serious losses. For example, I know you would not want us to make cuts in fire protection because the losses to our national timber supply would be 10 times greater than we could save.

Mr. WHITTEN. I hate to make cuts in any of this work, Mr Loveridge. But do you see any way around it?

Mr. LOVERIDGE. As Mr. Watts said in the beginning, it has been the support of this committee that has made it possible for us to get this great timber cut we are having now It is over 4 billion feet this year. Our total receipts will go over $50 million, with a "protection and management" appropriation for $27 million. Almost twice as much in receipts as that appropriation is. And in excess of that appropriation and all others used on the national forests.

Or consider the fund that we have for cooperation with the States. The authorization is much greater than this; but you are allowing us, and you have year after year granted us, greater funds for protection of privately owned timberlands. Here, too, a saving could be made, but we feel it would result in very serious losses.

And, in the matter of "Forest development roads," that is a big appropriation—$10,437,000—of which over $8,000,000 goes into maintenance. And, if we made a cut in maintenance, you know what the result would be in the condition of our roads.

So it is with each one of our appropriations here. It seems to us that a cut in appropriations will result in double or three times as great a loss in the property of the United States Government or in receipts to the Treasury.

Mr. WHITTEN. Mr. Loveridge, if you sat on this side of the table and listended to what you have just said and rather agreed with it, and everybody else who got on that side of the table showed the same kind of attitude, what would you do?

DISCUSSION OF NEED FOR ADDITIONAL ACCESS ROADS

Mr. LOVERIDGE. I think I would give us an increase if I were on your side of the table. We can show you that, if you will grant us an increase in access roads, we can return to the Treasury probably two or three dollars to every dollar you allow us.

Mr. WHITTEN. You can do that, but what you will not show us is that you could also sell that timber without building those roads.

Mr. LOVERIDGE. No; we could not do that, Mr. Chairman, because at the present time the private operators are building the branch roads and if we build the main roads we get more competition, which results in increased stumpage. The stumpage rates we are now getting from some sales are disturbingly high. We sold some timber on the north side of the Grand Canyon this past year which will have a haul out to the railroad of about 120 miles. Under competitive bidding the stumpage there went up to $45 a thousand. That is scandalous. We have sold stumpage down in your country for $30 and $35 a thousand. That is way beyond the prices we were getting previously, such as $7. And over in the access-road country we are getting $18 to $25 a thousand for Douglas fir under competitive bidding.

If the companies had to put in the roads, they would bid the minimum price, which in many cases would probably be no more than half of that amount.

Mr. WHITTEN. How much of that is just swapping dollars in the Federal Treasury. You sell it to a contractor, who puts this $45 stumpage lumber into an Army camp, and his price is based on the $45 stumpage. You just wind up with a further and further inflated debt.

That is what is happening with a lot of this lumber you are getting out. If the military and national defense could not get lumber in some instances they might use facilities they already have. I can show by the record that many, many times they have failed to do that.

So a lot of this stumpage you are selling at these higher prices works its way right into things that the Government is issuing bonds to pay for. So it is a case of taking it out of one pocket, multiplying by 8 or 10 and putting it back in the other pocket.

Mr. LOVERIDGE. We are compelled, of course, to sell our stumpage on the basis of competitive bids.

Mr. GRANGER. Mr. Chairman, don't lose sight of the fact, as I am sure you have in the back of your mind, that if the timber operator builds the road, Uncle Sam pays for it just the same but we do not get as much benefit out of an investment in roads.

Mr. WHITTEN. I am not saying you are wrong, but I am saying it is a matter of opinion. If you sell the timber and the timber man builds the road, he is going to build just as much of a road as is essential to get the timber out. It costs the Federal Government twice as much almost to build anything I ever saw it touch as it would cost anybody else to do it.

Mr. GRANGER. You are absolutely wrong about that insofar as building roads is concerned. That just won't stand up, Mr. Chairman.

Mr. WHITTEN. That is, of course, an exaggeration. We were just talking the other day about a contract down here where they are paying common labor $22 a day, and $33 a day on Saturday. That is in the contract and the Government is going to issue bonds to pay it.

It is not that you complain about the fellow making money, but the fellow working at that rate would be glad to do it at half.

Mr. GRANGER. A lot of our work is done by contract. I guess the contractor can hire labor as cheaply as the timber sale operator so there should not be much velvet in there.

Mr. WHITTEN. It is the type of road you put there, as against the type you could get by with.

Mr. GRANGER. The main roads are put in there for permanent use and they have to be a different type of road.

Mr. WHITTEN. In order for us to pass on this, I want a map showing your present roads. I want a record showing what timber you have brought over those roads in the last fiscal year. I want a projected map showing where you are going to use this $7,000,000 with the roads clearly delineated and I want the volume of timber at the end of those roads. We might as well be practical about this.

Mr. HOPKINS. May I add that this summer we were making an inspection in the northern part of Minnesota and went into this problem because we have been concerned about it. We had a road that was built by a timber sale contractor, and in another part of the forest, a relatively similar road built by the Government. We went over both of those and tried to obtain an impartial picture of

which procedure gave the Government the greatest net benefit. It was clear in that case, as far as our study was concerned—and we tried to be as impartial as possible—that it was to the Government's interest to build the roads in question.

In the first place we are able to have much more assurance that the forest products they were cutting went into the highest use. Instead of the maximum volume going into pulpwood, we had the amount of stumpage suitable for saw timber utilized for saw timber, with the higher stumpage rate. That suitable for poles went for poles at the pole stumpage rate.

In addition there are a lot of small timber tracts around that are not cut over by the large timber sale company. However, if you have a public road, small operators will often buy and use such small stumpage volumes.

Mr. WHITTEN. Of course, you were already convinced before you went out there.

Mr. HOPKINS. No, sir.

Mr. WHITTEN. The Department has been making this same argument for 5 or 6 years. You went out there to bolster up your already prevailing opinion.

Mr. HOPKINS. No, sir; that is not fair. We were trying to make an impartial study of the problem to find the arguments for and against.

If it was felt the operator could give the public as much benefit by building access roads, it would help our problem at lot. Then we could speed up this access road construction job. However, if we feel honestly that it is against the Government's interests to do so, we have to say so.

Mr. WHITTEN. Did you put on one side of the sheet $270,000,000,000? Did that figure enter into your consideration at all?

Mr. HOPKINS. We were taking these roads as a sample.

Mr. WHITTEN. That is what I say. You just took the isolated problem and considered the two sides without reference to whether the Federal Government had the money to spend or not?

Mr. GRANGER. He said they brought in more money by the Government building the road than they otherwise would have brought in, which reduces your $270 billion, does it not?

Mr. WHITTEN. That was the conclusion that he said he reached.

Mr. HOPKINS. May I say if you were on the ground and went over the same conditions and facts I am sure you would come up with the same answer, sir.

USE OF STUMPAGE RECEIPTS

Mr. WHITTEN. Now you mentioned awhile ago that down in my section of the country you were selling stumpage for $35 a thousand.

You have a provision in law that 25 percent of what you get goes back to the States. But you have not been carrying out that law. You have been providing through some kind of a system, that instead of the county or the State getting 25 cents out of each dollar that you retain a certain amount of it before the percentage is figured. I have been trying for 2 or 3 years to get a report from the Department as to how much money is involved, and how much it adds to the amount you have available. I have yet to get any report on it.

Mr. GRANGER. We are not disregarding the law when we do that. We have a law known as the Knutson-Vandenberg Act which authorizes us to require a timber purchaser, in addition to the stumpage payments, to make deposits for planting, timber-stand improvement, and that sort of thing, the basic purpose being to overcome any adverse effects of the timber operation or to increase the productivity of the cut-over area?

We are collecting about $2 million a year on that. It averages about 66 cents a thousand board feet, I believe, of the amount of timber we cut during the year.

In your country, that goes primarily into the release of the young pine trees from the overburden of the worthless hard woods. It has a very beneficial effect in stepping up the productivity and the rate of growth of those very valuable pine stands down there that we can sell for $35 a thousand. We get many times back the investment in that kind of work.

Mr. WHITTEN. Does that act set up how much you can do or does it leave it within your discretion?

Mr. GRANGER. The limitation on it is that the deposits for this purpose must not exceed the estimated cost of planting but they do not anywhere near come to any such figure as that.

Mr. WHITTEN. In addition to your appropriation you have this additional $2,000,000 a year which goes toward meeting the forestry problems on forestry land?

Mr. GRANGER. That has nothing to do, you understand, with the administration of timber sales.

Mr. WHITTEN. When we show what you have for the administration of the forestry department, we should add about $2,000,000 which you get from this source. It is $2,000,000 that you have, is that not right?

Mr. GRANGER. That is right.

Mr. WHITTEN. Has that been called to the attention of the committee?

Mr. LOVERIDGE. It has been in the budget every year, Mr. Chairman. It is on page 931 of the budget. It is item 4.

RECEIPTS PAID TO UNITED STATES TREASURY

Mr. WHITTEN. That shows your expenditures. Where do you report what you are receiving?

Mr. WOLD. The total amount shown is the amount of the receipts.

Mr. WHITTEN. Your receipts normally are taken to be the receipts that you turn into the Treasury. Do you have any breakdown showing that this does not go into the Treasury but that it is handled by the Forest Service?

Mr. WOLD. It goes into that cooperative work fund.

Mr. WHITTEN. This is listed here, "Obligations by activities." This shows what you are spending. Where does it show that you are receiving this into your general operating fund?

We have discussed every year what the Forest Service had and did not have. I have been trying to get this figure. This is the first time I have gotten it. I would like for you to show me anywhere that you report this money in addition to the appropriated fund.

Mr. WOLD. I think the program performance would show that right at the head of that.

Mr. WHITTEN. It shows the figure on obligations or expenditures. I want you to tell me where it shows that you have had it.

Mr. ROBERTS. May I answer your question in part: Table 8 on "Receipts to the United States Treasury arising from Department of Agriculture activities" which we furnish to the committee each year, we show total receipts from business on the national forests, and break that down each year between general receipts which go into general fund of the Treasury, and into special receipts which go into trust or special funds for specific purposes provided for by law. For 1951, according to that table, the total receipts from business on the national forests—primarily timber sales and grazing fees—is estimated at $41,630,000. That is broken down into two items: $26,245,000 which goes into the general fund of the Treasury, and $15,384,920 of special funds that represent either payments to States for roads and trails, payments to States for school funds, or for the other trust or special fund activities that are provided for by law. The table also shows that contributions from private cooperators in connection with forestry activities are estimated at $4,500,000 in 1951. I do not know whether that answers your question or not.

Mr. WHITTEN. I think it does, Mr. Roberts. I want to say that I do not think it has been pointed up to the committee. Mr. Roberts has found it for us. I doubt that I could have.

Mr. GRANGER. I do not recall, Mr. Chairman, any request from the committee made to the Forest Service prior to this year for information on this particular item.

Mr. WHITTEN. I certainly made the request last year.

INCREASE IN APPROPRIATIONS SINCE 1946

What was the total appropriation that the Department received in 1946? Here it is totaled right here: In 1946, you had $26 million in appropriations. For 1951 you had $38 million. That is an increase from 1946 to 1951 of approximately $12 million, which means about a 40-percent increase, does it not?

Now in view of the present international situation, and our needs for national defense, what would you say about giving you the same money you had last year and providing that $5 million of it be used for these access roads, leaving you $33 million, which would still leave you $7 million more than you had 5 years ago?

Mr. WATTS. We in the Department and the Bureau of the Budget have earnestly considered this budget and it was a joint conclusion that it was a fair amount for the Forest Service in the light of the existing situation.

Mr. WHITTEN. You have a tremendous advantage when you use Department of National Defense.

Mr. WATTS. They have people who are competent to know also.

Mr. GRANGER. It is not a case of focusing all our attention on timber.

Mr. WHITTEN. It shows that in 5 years you have upped your appropriation for administrative expenses from $26 million to $38 million.

Mr. GRANGER. Not on the national forests.

Mr. WHITTEN. That is your general appropriation to the Bureau; that is your general operations.

Mr. GRANGER. But that covers other items than the administration of the national forests. I do not know what is in that $38 million or $36 million, whatever it is.

Mr. LOVERIDGE. That is salaries and expenses. That includes research.

Mr. WHITTEN. You jumped it up $12 million in 5 years. We now find ourselves in the present emergency and you say we have to have this extra money for roads and trails. I am trying to see how much you believe that. How much of your money are you willing to set aside for that purpose? It is a pretty good test as to how strongly you believe in it.

Mr. GRANGER. In that same period we have done a lot more business which has brought in a lot more revenue.

In 1946 our volume of timber cut was 2.75 million and the value of it was, in round figures, $11.5. In fiscal year 1951, we are going to cut 4.2 billion board feet and the value will be at least $42 million.

Mr. WHITTEN. Do you know why the value is so high? It is because somebody hasn't given much attention to the national debt and to operating on a sound basis. If we keep going like we are, the chances are you can sell half this amount of timber in 10 years and get twice as much in dollars.

Mr. GRANGER. That may be true, but nevertheless the volume of our business has jumped up a lot since 1946.

You asked why couldn't we take $5 million out of the funds——

Mr. WHITTEN. I am just trying to get a comparison so I can tell how much real faith you have in this road estimate.

Mr. GRANGER. I would like to make two or three comments on that if I may: One of the activities on the national forests we have not talked about is the range use. We have the business there. We cannot toss it out the window. It means several million head of livestock on the national forests. Some of our ranges are overgrazed and we have to make reductions.

There is a terrific demand for more livestock products. You know how short wool is. We cannot take money away from the administration of that activity without having a direct effect on another important national need.

Mr. WHITTEN. It looks like we have a bear by the tail, wouldn't you say, Mr. Granger?

Mr. GRANGER. No, sir; I would say we have something pretty valuable by the tail.

Mr. WHITTEN. Of course you are in better shape. How many million acres of land do you have?

Mr. GRANGER. One hundred and eighty million.

VOLUME OF TIMBER ON NATIONAL FORESTS

Mr. WHITTEN. How much merchantable timber do you have?

Mr. GRANGER. About 600 billion board feet, including Alaska.

Mr. WHITTEN. You know I could do pretty well with that if all I had to do was cut it down and sell it, with all the salaried people paid from another fund.

The point I make is that you don't have the same situation that everybody else has. You are handling a big segment of the national wealth and what you make on that has got to offset as much as possible all these other things which are dead weight.

Mr. GRANGER. You see, one reason we are being pressed to cut more timber on the national forests is because you, as a private owner—which is the role you just assumed—have been cutting your timber much too fast and not cutting it in the right way. Therefore we have to help heal the breach.

Mr. WATTS. On that timber farm, 20 million of that 180 million acres is in Alaska where development in a big way is just about reached. It looks like we will have two pulp plants being built in a year.

Another third is non-revenue-producing land. A lot of it is like the brush fields of southern California where the cost of protection from fire is extremely high. A good deal of it is unproductive land which we bought in the South and it requires the planting of trees and that sort of thing. A good deal of it is high watershed lands in the Rocky Mountain area above the commercial timber zone. So approximately a third of the 160 million acres in the continental United States is non-revenue-producing, but it costs money to protect, and I am sure that the water users and others have definitely decided that they want that land protected.

Mr. WHITTEN. You folks make a pretty good case for the need of every dollar you request. Everyone else will probably do the same thing. We don't have the dollars.

I know you do not want to cut anywhere. I want you to give me a priority, 1, 2, 3, 4, 5, to show, in case we have to cut, where we should apply it. You are in a position to compare the relative merit of the various things that you request and I am going to ask you to do that. We will be glad to discuss this thing further.

Mr. WATTS. Mr. Whitten, perhaps because of a long life, working in this field, I may be biased, but I have told this committee more than once that I do not believe we have ever yet in this country met our complete responsibility with regard to the one-third of our land which is in forests. I mean we do not begin to have given the attention to it that we have to the other segment of the land in this country. Therefore, I would start out with the belief that we have always been giving too little to it. Now whether anyone agrees with me on that is of little moment. That is my opinion, that we never have yet in this country given the attention to forest land that we should and therefore I would find it extremely hard to try to place priorities on what I thought in the over-all was too little in the beginning.

Mr. WHITTEN. The record shows that last year you asked the Department to increase your appropriation by almost 100 percent, which shows your feelings in the matter, Mr. Watts, and I do not agree with you. We are facing realities, and if you can help us, we will be glad to have it.

Mr. WATTS. As a matter of fact, I do appreciate what you are up against but I do not think the Chief of the Forest Service, without looking at any other budgets at all, is in a very good position to say where cuts could be made. You people are.

Mr. WHITTEN. I am not asking you to pass on the Bureau of Conservation, or the Bureau of Animal Industry or Dairy Industry. Those are decisions we have to make. Within the Forest Service is

all that I am asking about. I am interested in which is first, second, third, and so on down the line.

(The following was submitted later by Mr. Watts:)

ORDER OF PRIORITY FOR CUTS IN APPROPRIATIONS

We have given very earnest consideration to your request that we list the order of priority in which to apply cuts to our activities in case they must be made. This same question is, in fact, constantly before us because, as previously stated, the amount of available funds is always less than is needed to carry on urgently needed work. For example, important national forest watersheds are being damaged due to inadequate attention to grazing, logging, fire, pollution from recreationists, etc. The lack of needed access roads to make more of our ripe and overripe timber available for sale is another example in point. We are confident that more research would yield heavy dividends in various ways. And so on with other activities. To spread such funds as we do have in accordance with priority needs, we have made many careful and detailed workload analyses. These have been started at the tree root and ground level and extended throughout our organization. They have involved time studies, minimum quality requirements, and quantity of production desired as in timber sales. In this and other ways we have most seriously tried to determine the best possible balance in use of available appropriations. In making these analyses and other studies on which this balance in use of available funds is based, the priority of need for each element of work and for each activity has been the controlling factor. As a result our various activities are now in as good balance with regard to priorities as seems practicable at this time. Consequently, in case cuts must be made in appropriations we would suggest that, with some wording to provide a reasonable degree of flexibility to meet changing conditions and special needs, the Department be authorized to prorate generally such cuts against all our activities. However, may I suggest that increases which will be returned manyfold to the Treasury in the form of receipts will go much further than cuts in funds for forestry toward balancing the financial, as well as the natural resource, budget of the Nation.

FOREST ROAD MAPS

Mr. WHITTEN. I would like to have a report on these roads. I want those maps. I am sure you must have that. You would not spend this amount of money without having a record. You have said you sold a world of timber you would not have sold if you did not have the roads. If you could have those records up here this afternoon, we would be glad to see them.

Mr. GRANGER. We will have to take individual forest maps, Mr. Chairman. A State map would not be large enough to show these roads. It will have to be a lot of individual forest maps, upon each we will be able to show the individual roads. It will take some time to prepare those.

Mr. HORAN. Do you have a master map in the Forest Service?

Mr. GRANGER. I am not sure I know just what you mean.

Mr. HORAN. A huge map.

Mr. GRANGER. We do not have a map which shows all the roads. You could not get it on an ordinary map.

Mr. WHITTEN. Are there any questions?

Mr. HORAN. I would like to ask some questions. The national forests are very close to me.

I do sympathize with the statements of our chairman.

I am one who deplores the fact that we have such a division of responsibility in our entire forest system. We have at least four forest services, of which you are only one although you are the major one. There is the Forest Service in the Department of Agriculture and then we have something in the Department of the Interior. I

believe we have three services in the Department of the Interior. The Indian Service has some, the National Parks maintains some sort of forest service, and I believe the Bureau of Public Lands has something along that line. It is confusing to call them forest services. Outside of the Indian Bureau, it is begging the question.

I would like to see that corrected. I think we could probably make a tremendous saving in supervision.

We did run an investigation in something which the Forest Service has a part. We found a condition with respect to our blister rust control that I do not like and I think we can correct. That was five layers of supervision between the workers in the field and the regional office at Portland, Oreg. We have asked that some of those be cut out and not charged against the work they do. It was not a good condition.

We have not checked on the Forest Service but if you are top-heavy with supervision, certainly that ought to be looked at if it does exist. It embarrasses you who love the Service, and it embarrasses us to whom forestry and forest service work is tremendously important.

I do not know whether that condition exists. Probably it does not. But if it does, that ought to be corrected. However, we did find it to be true in blister rust control and we think at least two of the intervening supervisory stations might be eliminated without hurting the work in the field. The Secretary is presently at work on an investigation of that condition.

Bear in mind that we are no longer having a one-package appropriations bill. You are not here to balance the budget. That is our job. At any time we appear to be short-winded, forgive us, but we are sincere about it.

Did you receive a 10-percent cut on your over-all appropriations last year?

REDUCTIONS UNDER SECTION 1214

Mr. LOVERIDGE. Not quite, Mr. Horan.

Mr. HORAN. You were exempt from the application of some of that 10-percent cut.

Mr. LOVRIDGE. That is correct.

Mr. HORAN. I believe some of that was in the field of timber sales?

Mr. LOVERIDGE. Yes, sir.

Mr. HORAN. Is that all?

Mr. LOVERIDGE. That was one of them. No reductions under section 1214 were made in fighting forest fires and road funds.

Mr. HORAN. You did have to make a 10-percent cut last year, though?

Mr. LOVERIDGE. No.

Mr. HORAN. I mean you had to make a percentage cut?

Mr. LOVERIDGE. There was the cut due to your amendment with regard to travel and the Department had its additional cut which it allocated between the different bureaus, as Mr. Roberts can tell you.

Mr. HORAN. My point is, if you had to make that cut last year, presumably for the good of the service, you followed out a program which the chairman has asked you to review and report back on. Naturally if you are asked to make an over-all cut you have to then apply your own judgment as to where it can be made.

Mr. ROBERTS. Mr. Chairman, may I make a statement?

Mr. WHITTEN. Yes.

Mr. ROBERTS. I do not want to leave the record like it is.

When the Department distributed the reduction which we had to take under section 1214, there was reduced in the Forest Service a number of items totaling $515,000. Some $430,000 of the $515,000 was against the item. "Salaries and expenses, Forest Service"; $50,000 was against "Acquisition of land," and $35,000 in other appropriations.

After that reduction was made and the amount was placed in reserve, the Forest Service got into this very extensive sales program on timber. We, therefore, requested that the Bureau of the Budget release that part of the reserve which had not been returned to the Treasury under section 411, the travel reduction carried in the Agriculture chapter. Thus we received back from the Budget Bureau reserve, as I remember it, $420,380 which is being used the balance of this year on timber sales work.

Originally the timber sales activity was exempted from the application of the section 1214 cut, so that it had the effect of shifting $420,380 of money that had been allocated for other purposes to timber sales work in the current fiscal year.

Mr. HORAN. Of course, that is reflected in increased income.

The point has been made with regard to increase in appropriations over the years, that the increase has been tremendous. I do not think you can answer the question of priority of importance of work in the Forest Service. I think this committee should have to weigh that. Mr. Loveridge made a big study on this, I know, because he had a lot of charts here 2 years ago to prove it.

INCREASE IN APPROPRIATIONS SINCE 1946

I think in all fairness we ought to have the basic reasons, again in priority fashion, for the tremendous increase since 1946.

Mr. WHITTEN. These figures do not include this extra money which has gone for roads and trails.

Mr. HORAN. The items you asked for study do not include roads and trails.

Mr. WHITTEN. Any figure from 1946 to 1951 does not include that extra money for roads and trails.

Mr. HORAN. That is right; it is on salaries and expenses and general administrative expenses and so forth of the Forest Service.

I would like to have some comment from Mr. Loveridge now as to what are the items that have caused this increase. Some of them are attributable directly to those of us in Congress, because we voted them.

Mr. LOVERIDGE. It has been mainly in timber sales, Mr. Horan—the increase of $2,460,323 during that period on timber sales. On fire fighting there was an increase of about $1 million. It was $997,006.

For range revegetation, in round figures, $600,000.

Mr. HORAN. On that item, how much money were we spending on revegetation prior to 1944?

Mr. LOVERIDGE. Nothing.

Mr. HORAN. I personally have been responsible for part of that increase because I have attempted each year to point up the fact that

on Uncle Sam's land, Uncle Sam will have to have responsibility in that direction. We are not spending a great deal on it now but it is an item that does reflect the increase.

Now the other item I think ought to be pointed up in this increase, that of statutory pay raises.

Mr. LOVERIDGE. That amounted to $4,454,854 for national forest protection and management alone.

Mr. HORAN. What is the effect of the 40-hour week?

Mr. LOVERIDGE. In our fire country, it has resulted in a greatly increased cost in fire protection.

Mr. GRANGER. About $1,000,000.

Mr. HORAN. I would like to have these figures, in all justice, because I share with the chairman the desire to have such information from you.

If we are going to balance the budget from our side of the table we will have to work closely with you fellows in the administrative end. I think you realize that. We would like to know what is the most important item and what the priority of importance is, at this time.

I do not like the way my dollar that I have to spend is losing its value, either, but over and above all that, you as taxpayers and consumers must see that we will have to do something about this. I am very dubious that we will balance the budget by increasing the already heavy burden of taxes on you and all of us around this table. I would like to see those figures, myself, before we go into it.

Mr. WHITTEN. Let me say there, Mr. Horan, I appreciate your attitude and your fairness always, and certainly there is no objection on my part for this bureau to put its best foot forward. Any facts that you have that sustain your position, we welcome them in the record.

Mr. HORAN. That is all I have to say, Mr. Chairman. I am happy that we will have another look at this whole thing because my entire inclination has to be from the standpoint of maintaining an effective and adequate Forest Service, but we have to look at this other thing whether we want to or not.

That is all, Mr. Chairman.

Mr. ROBERTS. Mr. Chairman, I have just one other thought. I believe you asked for a statement to be inserted in the record to show what these increases were over the years, what the programs were?

Mr. WHITTEN. Yes, that would be well.

Mr. ROBERTS. There is another thing here that makes a difference of at least two million dollars. Beginning in 1950 we spent $6 million for fighting forest fires; I remember it was one of the highest years we have had. Prior to that time we had spent about $4 million a year. I would want to check that figure but I think I am right.

Mr. WHITTEN. I want the true picture here. Certainly I do not want to reflect on this Bureau over and beyond what the facts justify. Whatever answers you have, I want you to have in the record.

(The following was submitted later by Mr. Loveridge:)

I find that I have been quoting figures that compare 1946 with the budget estimate for 1952. The following table shows the comparison between 1946 and 1951. In the latter year the $420,380 released from the budget reserve under section 1214 for timber sale work is included.

Appropriation	1946	1951	Difference
National forest protection and management	$20,097,103	$27,542,405	+$7,445,302, made up of—
			Pay Act costs +$4,454,854
			Timber sales +1,180,703
			Range reseeding +513,017
			Reforestation +351,626
			Improvement, maintenance +782,710
			Range management +192,093
			Fire control −2,994
			Other −29,707
Fighting forest fires	3,450,000	6,000,000	+$2,550,000.
Forest and range management investigations	1,547,638	3,035,100	+$1,487,462, made up of—
			Pay Act costs +497,424
			Experimental forests and ranges +990,038
Forest products investigations	1,446,500	1,300,400	−$146,100, made up of—
			Pay Act costs +238,001
			Program −384,101
Forest resources investigations	237,600	885,000	+$647,400, made up of—
			Pay act costs +$96,177
			Program +551,223
Forest development roads and trails	6,984,878	10,437,500	+$3,452,622, made up of—
			Pay act costs +507,739
			Construction and maintenance +2,944,883
Acquisition of lands for national forests:			
Weeks Act		250,000	+$300,000. Acquisition discontinued during and immediately after World War II.
Superior National Forest		150,000	+$150,000.
Receipts Acts		142,000	+$142,000.
State and private forestry cooperation.	8,164,262	10,832,800	+$2,668,538, made up of—
			Forest fire cooperation +2,135,800
			Farm and other private forestry cooperation +532,738
Cooperative range improvements		700,000	+$700,000.
Grand total	41,927,981	61,275,205	

There is one thing I think you have heard mentioned several times. Our requests for increases have been based primarily on the expectation that they would produce increased receipts, and we thought that it would just be a good business deal.

Mr. WHITTEN. I cannot say that you are wrong and I am frank to admit it. But there are some questions that arise in connection with it and I have tried to bring those things out.

This is certainly no attack on you folks in the Forest Service but we do have this very serious financial problem facing us.

All of this is very important. It is highly important to you. It is to me. I think it is a tragedy the way we have wasted our natural resources. However, if you have not got the money and if you have to do these extra things, something must give.

Now you could not see your way clear to do on less last year but when the President cut it off, you did get by.

TIMBER SALE RECEIPTS

Mr. LOVERIDGE. We have said this before and we want to repeat it. This committee has been very helpful to us in previous years and we appreciate it.

That year our timber-sale receipts were around $11,000,000. This year total receipts will exceed $50,000,000. I think that is something we can be proud of and I think it is something the committee will be proud of in having helped us to make that contribution to the financial strength of the country.

Mr. GRANGER. I think you misspoke yourself, did you not, on the receipts for last year?

Mr. LOVERIDGE. I was speaking of the 1946 receipts.

Mr. HORAN. It was $11,000,000 in 1946.

Mr. BATES. Will this thing ever be self-supporting?

Mr. LOVERIDGE. The National forests are. This year they are costing some $27,000,000 for protection and administration, plus $6,000,000 for fire fighting, plus $11,000,000 for forest development roads and trails, and other amounts for pest control and other programs. Our receipts this year are going to be more than $50,000,000.

Mr. BATES. Do you think at some time your sales of timber might be able to bear the expense of the whole Bureau?

Mr. LOVERIDGE. We have not thought that the receipts from the national forests would cover the costs of protecting the State and privately owned forest land.

Mr. BATES. You do not think, as a whole, it will ever be self-supporting, taking the programs as a whole.

Mr. LOVERIDGE. It will be so far as the national forests are concerned, but I question whether it will be for all forestry work elsewhere in the United States.

Mr. HORAN. I might comment on that: We in the West look forward to the time when we will have opened up working circles which will encompass all the national forests. That takes into account all the main laterals that go into those working circles to enable the various logging operators to participate in the entire national forest. When that time comes, by and large, our roads and trails will be a maintenance item rather than a construction item.

Presumably if by that time we have achieved the difficult task of putting our forests on a sustained-yield basis, at that time it could be conceivable that our forests would be on a self-liquidating basis, or at least giving enough revenue to encompass the cost of managing the national forests. When we have opened up all those remote areas and, in them have lumbering activities, of course our receipts will be tremendously higher, too.

Mr. WHITTEN. Of course, that is all good but the point is that, if you turn over to almost anybody 180,000,000 acres of land free of charge and with no taxes on it, with 600,000,000,000 board feet of timber on it, he would be able to make a good financial record.

I realize you have other lands that do not have the timber. However, I do say that the fact that you sell only as much timber as it costs you to operate is not impressive.

Mr. HORAN. I think in all fairness we should point out that one of the very, very important activities of the Forest Service is the protection of the watersheds around southern California, from the Sequoias on down to the Mexican border. There is no income there but it is tremendously important to the people who live in southern California. That item ought to be brought up here as what it is, a good control, watershed-protection item. It should be listed separately if we are going into this properly.

Mr. WATTS. There is another feature of our work that does not produce much revenue. Actually, insofar as outdoor recreation is concerned, we take care of about the same number of outdoor recreation articles as the Park Service does. It was about 26,000,000 visits last year. It costs some time or money to do that. I do not know how we are going to make it pay its way.

Mr. GRANGER. On that, Mr. Chairman, could I give you a few figures of where we have saved some money? One of them is on this item Mr. Watts is talking about.

Mr. WHITTEN. We would be glad to have it.

MANAGEMENT IMPROVEMENT

Mr. GRANGER. In the last 4 years we have reduced our telephone mileage by 12,000 miles. At the unit cost of telephone lines at $12.72 a mile, that means a saving in maintenance costs of $125,000. By using more tree measurement instead of scaling the logs on our timber sales, we have in the southeastern region, of which Mississippi is a part, made a saving of about 45 cents a thousand board feet cut, which means that the cost of handling the timber sales down there is $150,000 less a year than it would be without that labor-saving device. Probably for the whole Forest Service it means $225,000 less a year.

In our reseeding work, I saw examples last summer where they have developed a scheme of using two plows in tandem which results in a saving of at least $3 an acre in our reseeding work.

We have gotten a lot of cooperation from various sorts of people in handling our recreation work. For clean-up of the camp grounds, maintenance and improvements and general supervision of camp ground areas we have had cooperation to the extent of $222,000 a year in 1950. We have had construction of improvements by other people on our camp and picnic grounds, worth $173,000 in one year. We have had construction of roads by other agencies contributing directly to the use of these recreational resources, of $204,000 for fiscal year 1950, and snow clearance to make the winter sports areas accessible, $157,000 by other people. That adds up to something over $756,000 which is a cooperative contribution toward the operation of the national forest recreational facilities which is more than we are spending ourselves each year for that purpose.

In addition to that, a number of cities and counties are operating what you might call commercial enterprises on national forest lands, on these winter sports areas, by way of ski lifts and so on, which represents a total investment of $503,000.

Thus there has been a rewarding search for ways and means by which we can make a dollar go further.

Mr. WHITTEN. You have shown where you have made savings, but your request is for the same amount of money. That is like saving it by not buying a Chevrolet but buying a Buick.

Your original statement was that we had saved money.

Mr. GRANGER. I didn't think I said save. If I did, I did not intend to.

Mr. WHITTEN. That is my recollection.

Mr. GRANGER. If so, that should be corrected because it is not a saving in the sense you are using the term. On our maintenance,

where we get just about two-thirds of what we need for the barest maintenance of improvements, this $152,000 helps make up the deficit in that particular item of expenditure.

Mr. WHITTEN. It is to your credit that you have learned how to save that, even to the extent that you show. You save it in one activity and use it on another.

Is there no way for the forestry department to come down a bit? When you find ways to save, you do not turn it into the Treasury, but you do other things which you feel you should have been doing all the time but did not have the money.

RECEIPTS FROM NATIONAL FORESTS

Mr. ANDERSEN. Mr. Loveridge, you make the statement that we will perhaps have gross receipts from timber sales of approximately $50,000,000 in this fiscal year?

Mr. LOVERIDGE. Yes; our receipts will exceed $50,000,000, but that includes not only timber sales but grazing and all receipts.

Mr. ANDERSEN. 1951?

Mr. LOVERIDGE. 1951.

Mr. ANDERSEN. That is encouraging to me, but this question enters my mind. I am doing a little building back home at this time, and I cannot help but notice the very extreme prices of lumber charged for those particular buildings.

You have only increased your average price for stumpage by $1.09 in 1950 over what you sold it for in 1949. I believe the figure for 1950 is $8.77 per thousand feet; is it not? And it was less than that in 1949.

Have you people made a study as to whether you are selling that timber too cheaply, to the operators?

TIMBER-SALE APPRAISALS

Mr. GRANGER. Yes, sir; we have. Our basis for appraisal is to determine what the product is worth when it is manufactured into lumber or other product. Then we figure what it costs to take a tree off the national forests and make a thousand feet of lumber. We divide that between Uncle Sam and the fellow who does the job so he gets a fair break for his money.

Mr. ANDERSEN. From my personal observation, this lumber has gone up nearly 50 percent in the last 18 months.

Mr. GRANGER. You are talking about the retail price. We are talking about the price that the sawmill man sells it for. You are suffering a 33 or larger percent mark-up by the retailer.

Mr. ANDERSEN. That is right.

Mr. GRANGER. What I was going to say is this: that we have found in a good many cases that advertisements of our stumpage based on that method of appraisal have resulted in very substantial increases in the bid price over our offering price. So, we have instructed our people out in the field to take account of that and, instead of just sticking to the figure you come out with by that formula I spoke of, that they should adjust their offering price in consideration of the experience they have had in receiving these higher bids. So, we have not neglected taking into account what people have been willing to pay for the timber.

Mr. ANDERSEN. But you have only increased your price for stumpage in this past year by 15 percent, whereas I, the consumer, pay 40 or 50 percent more for lumber than I did a year and one-half back.

How can you put those two figures together? Why are you not entitled to charge the wholesaler, or the man who gets those logs out, at least 35 percent more than you charged them the previous year, as long as he passes such an increase down to the consumer?

Mr. GRANGER. You see, it goes up in geometric progression there. A man wholesales it, and the man who gets it from him adds on one-third.

Mr. ANDERSEN. I do not think you should become angels to these big timber operators. I think it is up to you to protect your own interests so you can continue to show a good picture to the Congress as far as receipts are concerned.

Mr. GRANGER. That is right.

Mr. ANDERSEN. $50,000,000 looks good, but $75,000,000 would make this picture a lot better and help you people when you come before our subcommittee.

There is another question I wanted to ask, and that has to do with receipts, too: I believe Interior have raised their rates on grazing; have they not?

GRAZING FEES

Mr. WATTS. I understood they have.

Mr. ANDERSEN. In my opinion, not nearly what they should have.

What rates are they now charging for a cow and calf for a month for grazing? This is considered one unit.

Mr. GRANGER. I think they are raising them from 8 cents to 10 cents a month for cows and for sheep. I do not know how much the sheep rate was. It was much smaller, of course.

Mr. ANDERSEN. Of course, I think that is all perfectly ridiculous when you can sell beef cattle off the range at $30 a hundred. I think it is ridiculous for them to put those cattle on the range for any 10 cents per month per animal. I believe that figure per unit includes the calf; does it not, Mr. Granger?

Mr. GRANGER. Under 6 months, yes.

Mr. ANDERSEN. You are charging what now, in the Forestry Service grazing areas?

Mr. GRANGER. For the season of 1951, our price per month per cow is 51 cents, which is an increase from 42 cents the previous year. Our price per head per sheep is 12.25 cents per month, versus 10.75 for the preceding year.

Mr. ANDERSEN. In my country, which is a farming country, we would feel very fortunate if we could find good pasturage for a cow and a calf at $2 per month per unit. Here you people are letting them have it for 51 cents per month, and then we find that the Interior is practically throwing away Uncle Sam's resources by permitting them to have it for 10 cents a month.

I think these people who want further increases in revegetation for the West, as far as the range is concerned, whether it be on the Interior land or the Forestry land, should come in here with their skirts clean and be willing to pay an adequate amount to the Treasury for the good they are getting directly off of those ranges.

That is my opinion, and I want it in the record. I do want to commend you in Forestry for the fact that you are charging at least five times what Interior does for providing good pasturage for livestock.

Mr. GRANGER. I do think, in fairness to Interior, Mr. Andersen, we should point out that, while we think their fee is too low, their average range is not worth as much as the average national-forest range.

Mr. ANDERSEN. I grant that, but still I have lived in the West long enough to know, gentlemen, that you cannot say that there are not big areas where they do not have first-class pasturage, even as good as that which you have.

I would like to see the day come when we would put these Taylor grazing areas under forestry. All of these grazing areas should be under uniform control.

Mr. WHITTEN. Unfortunately, we do not handle that.

Mr. HORAN. Will the gentleman yield now?

Mr. ANDERSEN. Yes, certainly, Mr. Horan.

Mr. HORAN. You are stepping on some of the things that belong to Mr. Stigler and myself.

Mr. ANDERSEN. I know that.

Mr. HORAN. Some of the same things come up in the utilization of your grazing lands as in your working circles. It is a distance between the range and the plant where you are going to use those products.

Some of our sheep growers in the West have to maintain rather extensive fleets of trucks in order to move their livestock from their home ranches to places as much as 150 to 200 miles.

Mr. ANDERSEN. I realize that.

Mr. HORAN. We are lucky to get anything out of it.

Mr. ANDERSEN. Keep in mind that these people pay pasturage per unit; they do not pay it per acre or anything like that. Only a limited number of livestock are put onto the grazing areas, dependent upon the quality and quantity of pasturage.

Mr. HORAN. Yes; but the cost of getting the critters, as you refer to them, out on that grazing land, the cost of transportation coming and going, has to be assessed against the total operation. Otherwise, they would go out of business.

Mr. ANDERSEN. That is correct, but think of the difference between 10 cents and the $2 I would be glad to pay back in southwestern Minnesota to take care of that cow and calf for a month.

I am right with you to make our forestry what we all want it to be, a great institution, and self-liquidating as far as the taxpayer is concerned, and here is one of the loopholes we should look into, gentlemen.

Mr. HORAN. And, of course, some of that land isn't worth 10 cents an acre until we revegetate it.

Mr. ANDERSEN. But Interior and Forestry take that into consideration. They certainly do not put more cattle on the pick land than it can handle.

Mr. HORAN. Let us look at it another way: We have mentioned the watersheds around in southern California and elsewhere in the Southwest where overgrazing, I think we can admit, has been rather devastating. The whole solution in southern California is water shortage. It involves the regrowth of vegetation on a lot of that watershed around there, which in turn brings up a lot of problems.

All this comes into this problem of vegetation.

I hope we can make some headway in the future or at least hold what we have.

Mr. WHITTEN. We will adjourn until 2 o'clock. Whenever you get this map, we would like to discuss it with you.

Salaries and Expenses

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$39,187,500	$38,975,000	$41,000,000
Transferred to "Operating expenses, General Services Administration," pursuant to Reorganization Plan No. 18 of 1950		−35,075	
Adjusted appropriation or estimate	39,187,500	38,939,925	41,000,000
Available from subsequent year	367,824		
Available in prior year		−367,824	
Total available for obligation	39,555,324	38,572,101	41,000,000
Unobligated balance, estimated savings	−127,912		
Savings under sec. 1214		−430,000	
Obligations incurred	39,427,412	38,142,101	41,000,000
Comparative transfer from "Research and Marketing Act of 1946, Department of Agriculture"	254,677		
Comparative transfer to—			
"Forest development roads and trails, Department of Agriculture"	−97,000	−94,900	
"Forest fire cooperation, Department of Agriculture"	−25,500	−24,900	
"Farm and other private forestry cooperation, Department of Agriculture"	−19,200	−42,900	
"Operating expenses, General Services Administration"	−35,075		
"Salaries and expenses, Office of Information, Department of Agriculture"	−3,727	−4,700	
Total direct obligations	39,501,587	37,974,701	41,000,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	4,439,902	4,228,948	4,228,948
Payments received from non-Federal sources	229,681	97,019	97,019
Total reimbursable obligations	4,669,583	4,325,967	4,325,967
Total obligations	44,171,170	42,300,668	45,325,967

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. National forest protection and management:			
(*a*) Resource protection and use	$25,133,290	$25,300,025	$27,753,000
(*b*) Resource development	1,918,442	1,822,000	1,902,000
2. Fighting forest fires: Fire suppression	7,144,824	5,632,176	6,000,000
3. Forest research:			
(*a*) Forest and range management investigations	2,994,057	3,035,100	3,113,000
(*b*) Forest products investigations	1,417,237	1,300,400	1,300,000
(*c*) Forest resources investigations	893,737	885,000	932,000
Total direct obligations	39,501,587	37,974,701	41,000,000
REIMBURSABLE OBLIGATIONS			
4. Rental of equipment to and repair of equipment for other activities of Forest Service, other Federal agencies, and fire control cooperators	3,744,330	3,719,967	3,719,967
5. Sale of supplies, materials, and equipment to other Federal agencies and to fire control cooperators	246,273	240,000	240,000
6. Construction and maintenance of improvements	17,481	15,000	15,000
7. Protection from fire and insects of intermingled and adjacent forest lands	24,846	25,000	25,000
8. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands	61,632	60,000	60,000
9. Fire suppression on intermingled and adjacent private lands	486,472	170,000	170,000
10. Investigations at experimental forests and ranges	12,082	14,000	14,000
11. Investigations at forest products laboratory	22,931	20,000	20,000
12. Intensification of comprehensive forest survey	6,306	7,000	7,000
13. Special economic investigations	47,230	55,000	55,000
Total reimbursable obligations	4,669,583	4,325,967	4,325,967
Total obligations	44,171 170	42,300,668	45,325,967

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	6,356	6,284	6,518
Full-time equivalent of all other positions	3,290	2,667	3,134
Average number of all employees	8,981	8,268	8,925
Personal service obligations:			
Permanent positions	$23,237,636	$23,309,650	$24,154,657
Part-time and temporary positions	8,440,601	6,976,620	8,222,069
Regular pay in excess of 52-week base	85,304		92,385
Payment above basic rates	1,188,342	858,003	690,109
Payments to other agencies for reimbursable details	5,839	5,866	5,866
Total personal service obligations	32,957,722	31,150,139	33,165,086
Deduct charges for quarters and subsistence	349,968	342,130	342,130
Net personal service obligations	32,607,754	30,808,009	32,822,956
DIRECT OBLIGATIONS			
01 Personal services	30,741,712	29,148,470	31,146,410
02 Travel	989,892	986,916	1,036,716
03 Transportation of things	588,379	446,052	402,052
04 Communication services	288,036	278,794	278,494
05 Rents and utility services	566,103	559,085	378,085
06 Printing and reproduction	160,176	160,217	160,467
07 Other contractual services	1,123,385	1,026,591	880,166
Services performed by other agencies	132,845	115,257	100,257
08 Supplies and materials	3,311,821	3,026,840	2,622,674
09 Equipment	1,510,152	1,282,611	1,243,311
10 Lands and structures	47,224	84,634	84,634
13 Refunds, awards, and indemnities	41,637	36,234	34,734
15 Taxes and assessments		23,000	132,000
16 Investments and loans	225		
Contingency fund		800,000	2,500,000
Total direct obligations	39,501,587	37,974,701	41,000,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	1,866,042	1,659,539	1,676,546
02 Travel	67,148	60,720	60,720
03 Transportation of things	91,681	72,411	72,411
04 Communication services	11,079	10,786	10,786
05 Rents and utility services	69,702	70,701	70,701
06 Printing and reproduction	2,065	2,148	2,148
07 Other contractual services	166,782	162,571	162,571
Services performed by other agencies	914	368	368
08 Supplies and materials	1,351,746	1,214,736	1,193,729
09 Equipment	1,037,792	1,068,487	1,068,487
13 Refunds, awards, and indemnities	4,632	2,500	2,500
15 Taxes and assessments		1,000	5,000
Total reimbursable obligations	4,669,583	4,325,967	4,325,967
Total obligations	44,171,170	42,300,668	45,325,967

Mr. WHITTEN. The committee will come to order. We will insert in the record page 339 of the justifications.

(The justifications referred to are as follows:)

Salaries and expenses

	National forest protection and management	Fighting forest fires	Forest research	Total
Appropriation act, 1951 (adjusted—see proposed structure, p. 338)	$27,490,300	$6,000,000	$5,322,000	$38,812,300
Reduction pursuant to sec. 1214	−333,000		−97,000	−430,000
Activities transferred in 1952 estimates to—				
"Operating expenses, General Services Administration" for operation and maintenance of buildings	−30,575		−4,500	−35,075
"Salaries and expenses, Office of Information," for distribution of motion pictures	−4,700			−4,700
Base for 1952	27,122,025	6,000,000	5,220,500	38,342,525
Budget estimate, 1952	29,655,000	6,000,000	5,345,000	41,000,000
Increase	+2,532,975		+124,500	+2,657,475

Summary of increases and decreases, 1952

National forest protection and management:	
To provide for administering timber and products sales business involving a total cut of 4.8 billion board feet and performing work necessary to prepare timber sale areas for sale	+$1,700,000
To strengthen the prevention, detection, and initial attack phases of fire control	+1,000,000
To expand the range reseeding program	+85,000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−252,025
Subtotal	+2,532,975
Forest research:	
For establishing an experimental research center in northern New Mexico and to strengthen the work in Puerto Rico	+48,400
To develop more effective methods of fire control	+35,000
To accelerate the Nation-wide survey of forest resources	+50,000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−8,900
Subtotal	+124,500

National Forest Protection and Management

Mr. Whitten. We had the general picture this morning, and quite a healthy discussion about it. If you care to make any further statement with regard to salaries and expenses, we will be glad to hear you, Mr. Watts.

Mr. Watts. I think, sir, it might save your time if we go to the items in their regular order, with national forest protection and management coming first.

Mr. Whitten. You may proceed. You show $1,700,000. What do you have for this year?

Mr. Watts. That item is handled by Mr. Granger.

Mr. GRANGER. For the fiscal year 1951, Mr. Chairman, there is $4,563,000. This increase of $1,700,000, as far as the difference between 1952 and 1951 is concerned, will be reduced to $1,279,620, because of the Budget Bureau action in releasing to us $420,380 of fiscal year 1951 funds to help in handling the increased timber sale demand.

We have had to turn down a considerable amount of business because of being unable to take it on. Most of our men on this activity have been working long hours overtime. We have had to divert men from jobs for which they were paid to do timber work, in order to increase our attention to the timber work.

We have had to put more in the day-to-day administration of the timber sales than we should have done, because that has meant we have fallen considerably behind in getting the timber ready for sale. For example, in region 8, which is the southeastern region, they indicated they had turned down applications for sales which they could have processed with about $32,000 more, and which would have a stumpage value of about $252,000.

I have the same story in some of the other regions, which is just an indication of the fact that we could not handle all the business that came to us. But even beyond that we do not have any backlog of sales ready to offer.

A larger portion of this increase will have to go into getting sales ready to put on the block, than would normally be required.

Mr. WHITTEN. How many employees do you have in the Forest Service?

Mr. GRANGER. Around 8,000, year long.

Mr. WHITTEN. You have an organization of about 8,000 people. If they told you they could not sell timber without spending about 14 percent of the sale price on the administration of it, what would you think about it?

You tell us you are selling about $40 million worth of timber. It is costing you about $5 million this year. Next year, you say, it will cost about $5½ million, just selling it. Is that not a big percentage of the return?

It is like all the other departments. When they want to do something, they say they cannot put the folks they already have on the new job, but must have extra money to hire extra people to get the job done.

Mr. GRANGER. I said that we have put a considerable amount of time and men, which are badly needed in other things, like fire control, on this particular activity to keep it going.

Mr. WHITTEN. Did you pay it in this activity or the other? It should show up in one place or the other. If you take your regular employees and charge them up to timber sales, you should have a carry-over in the regular funds, is that not right?

Mr. GRANGER. We have our regular employees who put a lot of time on this timber sales work.

I am talking about the money which is paid directly for the salaries and expenses for the men who do nothing, practically, but handle timber sales.

Mr. WHITTEN. Here is an outfit with 8,000 employees. It is spending 38 million dollars and they cannot even sell the timber they have unless you give them extra money and extra people.

Mr. GRANGER. We have sold more timber without getting extra money by these methods I have described.

I have one case where a ranger in the Black Hills National Forest put in 1,100 hours overtime handling his timber sales. The cut on the Black Hills jumped from 7,000,000 feet to 17,000,000 in one year. Those people are putting in a lot of overtime, for which they do not claim compensation, to keep the thing going.

Mr. WHITTEN. You have a lot of fine people in the Forest Service. I am trying to point out another side of it, and this is not restricted to you. For anything in the departments that you want to give special attention to, you must have more money.

Mr. GRANGER. Only in part. We have taken care of it without extra money.

Mr. WHITTEN. If we do not give you a dime for timber sales, you are not going to quit selling timber, are you?

Mr. GRANGER. We will not handle all the business we could.

Mr. WHITTEN. If we are in a fix where we have to cut down, and timber sales is a thing that must continue, you are going to carry it on with your regular funds to the best of your ability, are you not?

Mr. GRANGER. We are not going to have a cut nearly as large as we should have if we had more money to handle it. You cannot take men off the other things——

Mr. WHITTEN. You can, if this is more important than the other, can you not?

Mr. GRANGER. One of our biggest items is for fire control. You cannot take them away from grazing administration without harm to the ranges. You cannot take them away from fire control.

I would like to emphasize again this is not a case of whether you want to build this or that dam or put it off for 10 years. We have this business on our doorstep. We have to tend to it.

Mr. WHITTEN. You can do it like the average fellow who has 10 employees. He will either tend to the business or go broke. Instead of shifting emphasis from what you have been doing, you always put the new problem in a bag by itself and ask for additional funds.

Mr. GRANGER. We made a change of emphasis of about $300,000 in this fiscal year to protect this particular timber activity.

Mr. WHITTEN. Why could there not be some type of connection between timber control and fire control? I take it it is in the timber area. A lot of their work arises when fires break out. Why could there not be a combination of effort there as to handling timber sales and have your fire protection along with it?

Mr. GRANGER. There is a considerable overlap there. Those men on the timber sales go to fight the fires when they arise. Those on fire control help out with the timber sales when they are not on call every minute.

Mr. WHITTEN. I have been out there. In the area where the Federal Government owns the land, the forest ranger is in charge. He is the Government, the President and State legislature of all the immediate area. We realize that if we, in the interest of national economy, cut that down, all you folks have to do is slow down the amount of timber

to the market and say it is the result of what the committee did. We recognize we are up against it.

Mr. GRANGER. I do not believe we have done that sort of thing. We have stretched our money to handle the increased business. But there is a limit.

FIRE CONTROL ON NATIONAL FORESTS

Mr. WHITTEN. Fire control, $1,000,000. How much have you for that purpose this year?

Mr. GRANGER. Fire control in 1951 is $7,779,840. We have been studying the problem in fire control for quite a few years to determine what is the minimum we really need to handle that job adequately.

We have figured we ought to have at least 5 million dollars more going into fire control in order to get on top of the job satisfactorily.

Mr. WHITTEN. Where would you have to transfer that from?

Mr. GRANGER. I hope I would not have to transfer it from any place.

Mr. WHITTEN. There is no money in the Treasury. You would have to transfer it from somewhere in the Forest Service.

Mr. GRANGER. That is a pretty thoughtfully arrived at figure. One of the places where we found it pays to spend some money is in having stand-by crews that are especially trained and available on short notice to go to a fire. We tried that out in the California region this summer. It saved us a considerable amount of money.

I do not know how much damage to timber, and so on, it actually saved us, but it was a considerable amount.

Mr. WHITTEN. What did you do with that money it saved you, Mr. Granger?

Mr. GRANGER. It means our drain on the forest-fire fund, the $6,000,000, was that much less. Comparing that with what it would have cost us if we had to pick up labor, it would have been $150,000 more for putting out the same fires.

Mr. WHITTEN. Is that in the present fiscal year?

Mr. GRANGER. Yes, sir.

Mr. WHITTEN. That is still not reflected as any money returned to the Treasury, is it?

Mr. GRANGER. It is, in effect, if it means they are spending that much less.

Mr. WHITTEN. You could not spend more than you had. If you spend all you have, you have not saved any dollars.

The point I am trying to make is that your savings on one item are spent on another; is that not right?

Mr. GRANGER. We could have run over the $6,000,000, as we have done in the past, and come in for a deficiency. I think that possibility was not wiped out.

Mr. WHITTEN. Of course, deficiencies are getting to the point where they are not as easy to get as formerly. Fire control is one of those things where we have to meet the necessities when they arise.

Mr. GRANGER. We had some pretty severe losses in some of our very valuable timber areas this year. Out in California they burned over 25,000 acres of very fine ponderosa pine in one fire. A good deal of that will go to brush. It will be lost to timber production unless it is planted.

It would cost, if we went in there to do the job properly, $1,000,000 to replant the area. I am not saying we can wipe out all of those losses by spending more money. But experience has shown that you can greatly reduce them.

They can be reduced to a point where it seems a good investment in natural resources to put up more money to stop these first when they are small. It also lowers the outlay of this forest-fire fund which we have been talking about.

Of this proposed increase, we would put something more than one-half of it into specially trained small crews that I speak about. The rest of it would go into adding to our force of detection men, our lookouts, and men who are ready to go to a fire, one or two at a time, as soon as they are discovered.

We are woefully short of both adequate detection and adequate supplies of men who are trained to go to the little fires and stop them from becoming big ones.

COMPREHENSIVE FIRE CONTROL PLAN

Perhaps I should not bring the defense situation in any more. You may think that was rather worn out this morning. We have been requested by the Civilian Defense Organization to head up a Nation-wide special fire protection planning project, which involves all the Federal agencies and all of the State agencies.

They have asked us to give them by early May a plan by which protection could be stepped up very measurably in the forest areas in which it seems likely there would be the greatest danger of fires from enemy action or sabotage.

This project does have a very definite defense tie-up.

Mr. WHITTEN. Do not misunderstand me. I think we are both shooting in the same direction. I think there is clearly a national defense item involved.

With 8,000 employees and the multiplicity of jobs which they have, and with abnormal times such as we are now coming into, I would throw the organization's efforts into the more urgent problems of the moment, rather than seeking additional people and additional work.

I have seen many of your pictures, and your reports, placards and signs. I think they are very, very good.

I cannot see much difference between the governmental department and the individual. A man has 24 hours in a day. He devotes himself to his most serious problems and lets the lesser ones go. We are just faced with that.

If we had a limitation on the total amount that the forestry department and the other departments could get; when these things came up you folks in the organization might direct your efforts toward it, rather than always asking for something on the side to meet problems that arise. We do have that with regard to some of the cooperative programs.

I wonder if that is not the only way we are ever going to bring about a study of the operations within the department and the shifting from the lesser to the more important problems as they arise.

Of course, one way of doing that is periodically to reduce your funds. That is not easy. We recognize the value of natural re-

sources and the absolute necessity of maintaining the forests as best we can.

In fire control, you are on a 40-hour week, are you not?

Mr. GRANGER. Yes, sir.

Mr. WHITTEN. How much does that increase your budget?

EFFECTS OF 40-HOUR WEEK ON FIRE-CONTROL COSTS

Mr. GRANGER. The firefighters themselves are not governed by the 40-hour week, the pick-up men. Our regular employees are controlled by the 40-hour week.

Mr. WHITTEN. Would it help you if we exempted you from the 40-hour week?

Mr. GRANGER. It would save us a lot of money. We figure it costs us about a million dollars more to handle the thing under the 40-hour-week requirement.

Mr. WHITTEN. I am inclined to believe that is what we should do in connection with those things that you just cannot cover on a 40-hour basis.

Mr. ANDERSEN. We ought to do that in other places in Government, also.

Mr. WHITTEN. I think it would help the committee if you would give some thought to relieving the problems where the units cannot be divided into 8-hour units.

GRAZING FEES ON RESEEDED AREAS

Turning to reseeding and reforestation, we recommend $200,000 for reseeding, and $50,000 for reforestation last year. The increase in reseeding was contingent upon an increase in grazing fees. We had the discussion this morning in regard to the comparison of the grazing fees with those of Interior. To be quite frank, I am not in a position to pass judgment on the reasonableness of your fees.

I am sure it would depend much on the type of land and the type grazing that you had. I have never been able in my own mind to see how the burden is on the landowner to plant a hay crop so that the stock can run on there and eat it. If I was going to rent my land so cattle could be put on it, and the man wanted me to plant hay on it, I would charge him for it.

If you are going to plant crops for the people who are going to use it, it should be reflected by an increased rate to offset the increased expense. I know this was modified somewhat in the final bill and the final report.

What effort, if any, did you make to see if there was any possibility of passing on to those that use the public domain this cost of planting forage crops?

Mr. GRANGER. We have not made any change in the grazing fee for areas that have been reseeded so far, because, as I think we stated last year, there is not enough of it in one place at this time to cover an allotment the unit on which the fees are calculated.

As soon as we get enough of this in one place where we have an area of range management in this improved condition then we will certainly want to boost the fees for that location. At the present time, we do get more money, however, in the way of grazing fees than we would get if we did not do this reseeding.

The reseeding in 1950 is estimated to produce forage for 35,000 additional cow-months. If figured at the grazing fee per head that is in effect this season, that means $17,500 in fees which we would not have collected at all if we had not done that.

Mr. WHITTEN. You are going to spend $85,000 to get $17,000?

Mr. GRANGER. We will get that every year.

Mr. WHITTEN. This is going to be a perennial grass you are going to put in? You will see to it that it is not overgrazed, will you?

Mr. GRANGER. Yes, sir.

Mr. WHITTEN. Why did you not see to that before now, and then you would not have to reseed it now?

Mr. GRANGER. That is a big question. Some of it we should have seen to. Some of it is due to various circumstances, beginning with World War I, when, in a burst of enthusiasm, we greatly overstocked the ranges trying to raise more meat for the country.

We have not gotten over the effects yet.

Mr. WHITTEN. It is a mighty poor way to get rich, to spend $85,000 to collect $17,000. You cannot get ahead very fast that way.

As you say, you would intend to keep stock grazing down so it would not get back in bad condition. It has reached the present sad condition through overstocking and overgrazing, and during that time it has been under the charge of the Forest Service.

I do say, however, most of the reasons for it are the economic pressures resulting from wars and threats of wars, and the political pressures, you might say, of the ranchers in the area.

Mr. GRANGER. We feel this is a good investment in order to have as large as possible a supply of meat and fibers.

Mr. WHITTEN. It is a good investment. But it is like a situation right here. I am convinced I could invest $5,000,000 here in Washington, with the present outlook for inflation, to good advantage. But I have not got it.

I admit my view is that of a small-town lawyer, where we always worked and paid our debts and lived within our means. It is embarrassing to deal with a bureau like yours, if that happens to be the attitude on which you are raised.

Mr. GRANGER. Are we not spending a lot of money to maintain the output and prices of a great many of our agricultural products?

Mr. WHITTEN. Right now that is not true. But the point you are making has been quite true. A year ago that would be absolutely correct.

That is disturbing. It looks like we are on a treadmill. Instead of correcting something that is up before us, it points to something worse.

Mr. ANDERSEN. Before we leave the grazing subject, I would like to point out it is more or less unfair to the Forestry Service if the Congress leaves them in a position where they catch criticism unbounded from the livestock industry because of the fact there is so much spread betweeh what Forestry charges for their grazing and the very meager amount Interior charges.

I think it is up to the Congress to do either one or two things: either bring Interior somewhat up to meet Forestry, or take Forestry down to meet Interior.

My opinion is that Interior rates should go up to meet Forestry, and take off the Forestry people the burden of proof that they are mistreating the ranchers.

Mr. WHITTEN. I think you are certainly correct. As I have pointed out, this subcommittee is more or less helpless to control the situation. We could ask for a joint meeting with the Committee on Interior, and try to work out something.

Mr. ANDERSEN. If we do not discuss these points of argument here, they will not be brought up later for consideration by the proper committees.

Mr. WHITTEN. How many acres do you plan to reseed, and what kind of seed are you going to plant there, Mr. Granger?

Mr. GRANGER. The $85,000 increase will reseed about 9,000 acres. In 1950, we reseeded about 63,000 acres. A large part of that is crested wheat grass, and has been very successful.

Mr. WHITTEN. This is about 9,000 acres additional?

Mr. GRANGER. Yes, sir; out of the increase.

Mr. WHITTEN. What is your estimated cost then per acre for planting?

Mr. GRANGER. That would run a little over $10, right around $10. It averages about that. It varies between regions.

Mr. LOVERIDGE. Our receipts will be higher for grazing this year by about $350,000 than they were last year, due to higher fees.

RELATIONSHIP BETWEEN RECEIPTS AND APPROPRIATIONS

Mr. WHITTEN. Would it help you folks in order to do some of this work—I am not trying to increase your appropriation, do not misunderstand me—if there was a tie-in between your timber sales and grazing, to where you were permitted to spend a percentage of your return on this kind of work?

We could work out that kind of thing in consultation with the legislative committee. I would have no hesitancy to put a rider on the appropriation bill, provided there is a community of interest between the legislative committee and this committee.

I wonder if there could be some effort made to enable you to meet your timber problems and your reseeding problems by making a percentage of the funds you receive available, not as an additional appropriation, but as a means of using what you already have.

Mr. GRANGER. Substitute for the direct appropriation?

Mr. WHITTEN. Yes.

Mr. GRANGER. On things like reseeding, Mr. Chairman, I think it would work fairly well. For the funds we need to administer the grazing use, it might not work so well. As you know, our grazing fee is geared to the price of livestock in the western markets. If we get a considerable drop in the value of livestock, our grazing fee goes down.

We have the same number of stock on the forest ranges, and the same need to see that the forest ranges are used frugally, no matter whether we get a 40-cent fee or a 51-cent fee.

That would throw us out of balance at times when receipts were dropped. I do not believe it would work too well for the administrative end of the job. For such things as reseeding, I think we could live with that very happily.

Mr. WHITTEN. How about roads and trails? Is there a tie-in between how much money you should spend keeping your roads up, or building new roads? You have always had a tie-in between the roads and trails and the amount of timber you could get out. That is fine when you want to expand. How would it be when you were not moving much timber out?

Mr. HORAN. That would be a direct relationship, would it not?

Mr. GRANGER. That might work out for timber access roads. We have to have enough money to maintain the system, and add somewhat to it for roads other than strictly timber access.

Mr. WHITTEN. That points out what I have wondered about. There is quite a system of roads. You say you want to keep them up without getting timber out. I know for fighting forest fires you need some. Whether you have what you actually need or whether you have gone beyond that is another problem. The question is, Where do you draw the line?

Mr. GRANGER. We have not what we need for straight administration, aside from hauling timber.

Mr. WHITTEN. I wonder how much money it would take this bureau to do exactly what you think we ought to do?

Mr. GRANGER. This would be an inopportune time to tell you, I think.

Mr. WHITTEN. Mr. Stigler.

FOREST FIRE CONTROL

Mr. STIGLER. Mr. Chairman, on page 340, I notice an item of "Forest fire protection" of 1 million dollars, which is an increase over last year. I would like to know if that is a duplication of any work under the item on page 339, entitled as follows, "To strengthen, the protection, and initial attack phases of fire control."

Mr. GRANGER. That is the same thing.

Mr. STIGLER. Why was it not put under the same heading?

Mr. GRANGER. The items on 339 are general headings. The items on 340 are a breakdown. The figures on 339 just indicate the increases.

Mr. STIGLER. That is a complete breakdown of the items on page 339?

Mr. GRANGER. The items you speak of on 339; yes. But the figures there where you have quoted the 1 million dollars, there are three items of increases. On the next page, we show the amount of money that is available for the whole list of activities coming under the heading of "National forest protection and management," in which there are only three places which have increases.

Mr. STIGLER. Then, I notice down at the bottom of page 340, you have an item of 6 million dollars, "Fighting forest fires." Is that the same?

Mr. GRANGER. That is to fight the fires after they get started and are beyond the control of what we call our presuppression organization, which is made up of men who make the initial attack on these fires.

When you get to the point where you have to put crews on them, the $6,000,000 comes into the picture. That is a change from the

practice in previous years where we had only $100,000, I believe, in that item—a nominal amount.

We drew on our other funds to fight the fires and the Congress made up the deficiency by an appropriation.

Mr. STIGLER. Your totals near the bottom on page 340, and your total at the top of the page under "a. Resource protection and use," totaling $27,753,000, then down at the bottom your total is $29,655,000; what are those items below the figures of the $27,000,000-plus?

Mr. GRANGER. Beginning at "b," there in the left-hand column, "Resource development." If you add those items to the figure at the top, you get the total of $29,655,000.

Mr. ROBERTS. I wonder if I could help you out on that. At the top of page 340, you have the project, "Resource protection and use," $25,133,290, in 1950. Over in the increase column, there is an increase of $2,700,000. That is the increase on that main project. But for the information of the committee members, we have broken that project down into subprojects. We have shown the amounts available for each subproject in parentheses; that is to indicate it is included in the amount shown opposite the main project.

So, the $1,700,000 you see as an increase opposite "Timber resource management," is part of the $2,700,000, which is just above it in the same column.

Mr. STIGLER. That is all.

Mr. ANDERSON. No further questions.

Mr. WHITTEN. Mr. Horan.

Mr. HORAN. I just have an observation, Mr. Chairman. I am very anxious to have Mr. Watts comment on this.

Before this committee we discuss ways and means of balancing the budget. I am always impressed with the fact that along the line, at some time or other, we are either going to increase the responsibility of the State governments or industry or cattle ranchers or somebody else, to assume more and more of the expense of doing these things.

It all ties in together sooner or later. If we raise the Federal budget, sooner or later it is going to be reflected in higher taxes. It is all inflationary. If we turn more of these responsibilities over to the States—in some instances we should—why, of course, we put the bite on the individual living in the State involved because he still has to pay higher State taxes and the same Federal taxes.

So, when we get in a place like this, where we raise overnight the Federal budget by about 30 percent in the name of national defense, we just have to face the situation as best we can and place, if we can, a priority on things that come first.

I suppose, in my book, probably you have to administer the national forests. That is problem No. 1. Second, do you place forest-fire protection as the second item?

Mr. WATTS. I would not want to say whether it was first or second.

Mr. HORAN. Of course, part of that is management of the national forests. So you put management first, I presume.

Mr. WATTS. Perhaps so.

Mr. HORAN. It is in the bracket immediately above forest-fire protection, which is one of the major operations of management.

I presume third would be preservation of the watershed, which would involve range vegetation and protection water, fire and timber cutting, all three.

Mr. WATTS. The watershed management would include the other three.

USE OF RECREATIONAL FACILITIES

Mr. HORAN. Then last would be recreational facilities and acquisition of land?

Mr. WATTS. Yes.

Mr. HORAN. They are things that are nice to have, but you can get along without them?

Mr. WATTS. I think that is a little overstatement. You see, there is nothing we can do to stop people from going out in the national forests, unless we put up gates and lock them. I am reminded, Congressman Horan, of a visit that I made to the reservation in your back yard last summer. I got there Monday morning at 8 o'clock. It is best described as a mess. It had had heavy use the day before. You know what those heavy-use areas are.

Had we not sent men in there immediately to clean it up, as we did, we would have had a public health situation as the folks came there to use it.

Involved in it was that Boy Scout cabin up on the hill. It had been used by other people on Sunday. It was essential that that be cleaned up immediately. The same thing is true, of course, in many of the areas, in heavy-use areas, such as California and back of Salt Lake.

I hope you understand what I meant in my opening statement when I mentioned recreation. We are not doing a good job on it. I would be quite unfair to you if I did not tell you that. If I did not, others would have told you anyway. But we are not asking for any increase.

I said we would have to make a sacrifice. We hope it will not get too far out of hand. We will have heavier use than we have ever had because of the full employment in the West, no restrictions whatever on gas, tires, and so on.

Incidentally, I might say again that our use is as heavy in total as the Park Service. We spend very much less on this item than they do.

Mr. HORAN. What are your relationships with watershed protection associations and organizations? What are your relationships with the established organizations that make regular use of the national forests and the recreational areas in the forests?

I am surprised that the Boy Scouts would not clean up their own mess.

Mr. WATTS. I would like to say that I inquired about that. It was not the Boy Scouts. It is what we call the Boy Scout cabin there. It was used on Sunday by other folks, not the Boy Scouts. You remember the cabin up on the hill. It was not used by the Boy Scouts on that Sunday.

Mr. HORAN. You have watershed protection associations and fire-fighting associations and all that sort of thing. There are also sportsmen associations. What work is being done as a sideline in forest resource management to get greater cooperation out of them?

Mr. WATTS. I am sure we have not gone as far as we can go. We are exploring it in a good many of the communities.

We now have them handling some of their recreational areas. In other placed we have placed the area under special use permit to a concessionnaire who makes a small charge and does the maintenance work.

Mr. Granger gave you some figures this morning with regard to the amount of cooperation we are getting in that type of use.

Mr. HORAN. That total was?

Mr. GRANGER. $753,000.

Mr. HORAN. Does the existence of that much money help you defray in any way the expense or reduce the responsibility of the Forest Service?

Mr. GRANGER. Yes, it does, Mr. Horan. That is particularly true with $222,000. It covers the policing of the campgrounds. By that I mean the clean-up, the maintenance of the improvements, and the supervision of use. That is a direct benefit in reducing the obligation on us.

Mr. HORAN. All right, Mr. Chairman.

Mr. WHITTEN. I do not mean to continually harp on this thing, but I could not help but notice your statement that you were not asking for an increase in recreation.

I am thinking of a letter from a farmer in my area. He had a 350-acre farm. He had two boys taken in the draft. He is 70 years old. There is no one to do the work. That is the kind of condition in which we now live.

I cannot think it is a real contribution to just forego asking for increases. Your testimony shows you have gotten $700,000 in contributions from other sources to meet that problem, but we do not see any reduction on the part of the regular appropriations.

You spend the same amount, regardless of what contributions you get from other sources.

Mr. WATTS. We are servicing 26,000,000 recreational users, scattered from Florida to Alaska, in the national forests. I think it is a very splendid use. It is increasing all the time.

Mr. WHITTEN. I do, too. I wish you could figure out some way to make it self-sustaining, or even more so.

What I am talking about is that you have $600,000 or $700,000 that you have not heretofore had, but still the Government expense is the same.

Mr. ANDERSEN. It would seem to me the general public using those grounds should pay the bill to some extent.

Mr. WATTS. Insofar as the larger developed camp grounds are concerned, that is what we are working toward.

But up to now we see no way to make a charge for those who go out in the national forests and camp by the side of the road.

Mr. ANDERSEN. As the chairman says, it is going to be hard to justify an increase or even equal funds as in 1951 in an item like this at a time like this.

Mr. WATTS. We ask for none above this year's.

Mr. ANDERSEN. This is different from fire protection and forest management as far as urgency is concerned.

Mr. WATTS. We ask for no increase.

Mr. HORAN. It is true that it is hard to police 180 million acres. Some of the people who do go out there have no respect for their own or other people's rights. They litter the camp sites.

What is the penalty for doing that?

Mr. WATTS. It is usually tried in the State courts as vandalism. I do not know what the local judge would assign. There is a penalty for destroying Government property.

We are finding, on some camp grounds where we make a charge, in some places at least, that we are driving the users away and having them camp by the side of the road. We do not like that, either. That increases the risk from fire more than it was when we had them concentrated. We do not like that particularly well.

Mr. WHITTEN. We seem to be in disagreement on some of these items, Mr. Watts, although I believe we are getting more and more in common here. You wonder how in the world you are going to get by on the funds you have, which should give you some idea of how we feel here.

Mr. WATTS. I am not concerned, as long as I am perfectly honest with the committee. I think the estimates before you are justifiable in the light of present-day conditions. Therefore, I do not mind differences of opinion.

Mr. WHITTEN. I have not found you otherwise.

FOREST RESEARCH

We will turn briefly to forest research. Last year, in this committee's report, we called attention to the fact that some attention was needed on problems in the forest roads and trails as pointed out by Members of Congress. We asked you to give attention to these matters. To this date you have not done it. Last year we called attention to the fact that an additional experimental research station was needed in New Mexico. You did not do it. But you want $48,000 this year to set a station up out there. I would like an explanation.

Mr. KOTOK. May I may make one or two observations before we come to the item, to give you my over-all approach to the budget estimates we have before you?

Mr. WHITTEN. You have all this money in the Bureau, and we might as well find out about it. I talked to you about these two road problems. Out of about 10 million dollars you could not see fit to do these things that the Members of Congress pointed out as being necessary.

Mr. GRANGER. Mr. Chairman, I have looked into this matter and find that we have actually responded to the specific suggestions as far as it was practicable to do so. For example, with respect to a portion of the national-forest area in Mississippi on which there was some local feeling that we were devoting inadequate funds to road work, I find as follows: In fiscal year 1950 we devoted slightly over $23,000 to the maintenance of 126 miles of road. In fiscal year 1951 this was increased to $34,600. For the latter year this makes a cost per mile for maintenance of $275, which is much higher than the average amount devoted to maintenance per mile on all national forests, and more than is expended for maintenance on the average elsewhere in Mississippi.

As to construction, there was no money expended for this purpose in fiscal year 1950 in this particular area, whereas, in fiscal year 1951 we spent nearly $21,000 for surfacing and bridge replacement.

The other project to which you and the Senate committee specifically called our attention was in Tennessee. This involved a proposal to blacktop 13½ miles of road already equipped with a gravel surface which, while dusty at times, is serving all needs with reasonable adequacy. The estimated cost of this blacktopping is $93,000. Since we were granted no increase in our forest-development road fund for 1951, and as we had many places where the needs for road work seemed much more pressing, we felt that we would have to postpone this blacktopping job for the time being.

I can assure you that we give thoughtful consideration to all requests from your committee and from Members of Congress, but it is just not possible for us to meet all of these requests as promptly as we would like to.

Mr. KOTOK. I do not recall that the request for the northern New Mexico research station appeared during our hearings. We asked for that item. That is true.

Mr. WHITTEN. You were told to go ahead and do it out of the funds you had available.

Mr. KOTOK. I do not believe we considered that that was the will or the wish of Congress. It was an item we put up. It was disallowed. We left it in that position. I am very surprised to find that you draw the inference we were requested to take care of that.

Mr. WHITTEN (reading):

> The committee does not feel it is in a position to recommend increased appropriations. For these purposes, it wishes to direct the attention of the official department to these matters and suggests that all requests appearing in the 1951 hearing record by given further consideration by the department.

It is my understanding you were called about this and that was what we had in mind.

Mr. KOTOK. We understood that the northern New Mexico station estimate was disallowed.

Mr. WHITTEN. If we want anything done in the Forest Service, you say, "Give us some extra money."

Mr. KOTOK. Our budget estimate, as we have it before you now, represents a slightly lower level than we have had in the past few years. If it was not for this committee, the surge and the push that research got would not show as it does in the United States. It started a little after the war. You gave us the impetus. We have gone further in forest research since the period the present chairman of this committee has been a member of the committee than at any other time in history of legislation and appropriations for this particular item.

I feel rather happy with the results we have gotten from the money. In the main, it whos we are getting better forestry practice, both on public lands and private lands.

1952 ESTIMATES

In the budget we have before you we have changed our projects to meet emergency needs. We are stressing in our forestry research that work which is most needed for this emergency, whether it is to give tentative cutting practices on areas where we have little experience or research information.

Where we can reduce the cost of harvesting, we are doing so. It will mean less manpower to secure output of forest products. We are trying for better utilization of the less valuable species. On the range we are pressing for better reseeding and better management. In our forest products, it is almost completely converted, in many of the fields, to the emergency job without asking any increases.

The three increases we have are as follows: One is for the New Mexico item. In some way or other, in the shuffle of the increases we have gotten in the past—I will take part of the blame—perhaps that should have been placed on a higher priority than some other project. I cannot charge that the committee is remiss. It is a question of judgment.

Another item we have is a small increase for Puerto Rico. That has about $15,000 for research work. The Caribbean area is becoming important. There are economic problems on the island. Forestry can be of great help. We are asking for a slight increase in that.

On the fire work, we are asking for an increase of $35,000. All together, we get $125,000. We have a 48-million-dollar bill for fire fighting. That is public money which is being spent. We have a damage figure of another 40 million dollars. We believe that, with a slight increase, maybe we can get more for our money for what we spend on fire fighting.

The only thing research can do is to find better ways of doing things, more certain ways. We would like to increase the manpower we have on fire research in order to make the dollars go further. That is a small contribution for perfecting fire control. It is not very much.

NATION-WIDE SURVEY OF FOREST RESOURCES

The other increase is $50,000 for "Forest resource investigators." We have converted most of our jobs in this activity to fit in with the present emergency.

Mr. WHITTEN. That sounds very good. What is the present national emergency in relation to your work? What have they called on you to do that has not been done all the time?

Mr. KOTOK. Let me illustrate. You are referring to the "Survey" item, I assume.

Mr. WHITTEN. I had not gotten into that.

Mr. KOTOK. Let us take one item.

Mr. WHITTEN. You tell me you have slanted your work from what you were doing over to that which is related to the emergency. It indicates you are using the money to meet the needs which have arisen, which is to your credit. The first item is the survey. You are asking for extra money.

Mr. KOTOK. I want to give you the nature of the request. It is way beyond our capacity to do it. The defense agencies are concerned as to the availability of special items in short supply. Our normal inventory does not give it. We have to supplement it.

Most of them are hardwoods: oaks for Navy keels, small items for pickers sticks—items that are normally not shown on our survey—peeler logs in the West. They want to know the total supply so they can figure whether they want to authorize additional manufacturing. The raw material is there. They want information on requirements.

We are the only source for information that gives the total picture of availability, of growth, of mill capacity, of the requirements as we gather it from the various agencies. We collect that information, and then the policy makers must make their final decisions as to policy. All we do is gather the facts.

We perform the same things as BAE performs in the whole agricultural field. We are the only agency that has in toto the full picture of the forestry situation.

I will give you an illustration that recently came to my attention. We are short in pulp supply. There is some capital, local and otherwise, that is interested in the possibility of mills in the Central States. They want the information that we gathered in the survey, first, to determine if there is enough raw material for venture capital to go in there. The bankers want to know if they can underwrite it.

Mr. Chester Davis, of the Federal Reserve Board, is very much interested in that. He wants the facts. It can only grow out of a survey, not only the present growth, but the potential growth, the kind of ownership, the kind of species. This is an active thing which is under way.

Another factor that is alined with that same problem, which ties directly into our work in our laboratory, is that we have found better ways to use hardwood for pulp. There are more hardwoods than softwoods in that territory. Tying it together, we give them a better picture.

We have also the problem of liquids and fluids that enter into streams that are detrimental to the streams, and how we can take them out and recover them. That is another problem our laboratory is considering.

This increase we have asked for merely reflects the additional needs over and above what we think we can carry with our existing appropriation.

In fairness to the committee, we are trying to maintain some of the research, in which we have had a large capital investment, because to drop them now would be critical. We would lose a substantial part of the investment already made.

I want to say again that this committee has been the main force in building up our research in the United States.

POSSIBILITY OF COOPERATIVE PROGRAM

Mr. WHITTEN. Last year we recommended that you investigate the possibility of making this a cooperative program. I am a rather strong believer in cooperative programs. Any State is glad to take a Forestry Service research unit as long as it is federally financed. To find out how much interest there is, you can ask them to help support it.

Mr. KOTOK. We have $1,400,000 from that source.

Mr. WHITTEN. Is that private industry or State?

Mr. KOTOK. States and private industry.

Mr. WHITTEN. Have you made an investigation or reached any conclusion as to whether you would be willing to recommend to the Legislative Committee on Agriculture the setting up of this work on a cooperative basis? I am talking about the smaller research units, such as is contemplated for New Mexico.

Mr. KOTOK. The New Mexico research would cover a substantial part of public lands. I do not believe, Mr. Chairman, we can forego the responsibility not only of the 183,000,000 acres of national forest land, also the Bureau of Land Management's lands, and the other Federal lands.

Mr. WHITTEN. With certain exceptions. Where the job is primarily national, we might make an exception. How about the other activities? We recognize that the amount of money you have had for each unit has been far less than you first thought was absolutely essential. If you had State cooperation so that they would furnish some additional funds, would it help your situation?

Mr. KOTOK. Except that we have had such good luck at the slower process. If we did not get the $1,400,000, I would say "yes." In view of the fact we have been able slowly and surely to build up willing cooperation, we thus assure real teamwork and perhaps that may be more effective. Ultimately, whether we want to write it into legislation, I am not prepared to state.

All I can record is that we are moving in the direction of getting more and more help from States and industry. In some we have refused to go into them unless there was a cooperative understanding.

FOREST FIRE CONTROL RESEARCH

Mr. WHITTEN. You ask for an increase in forest fire control research. How much money are you spending this year on research?

Mr. KOTOK. Total?

Mr. WHITTEN. Yes.

Mr. KOTOK. Including the laboratory, it is 5 million dollars.

Mr. WHITTEN. On research. I am talking about fire control.

Mr. KOTOK. $125,000.

Mr. WHITTEN. How much of that goes toward salaries?

Mr. KOTOK. I would say probably 75 to 80 percent.

Mr. WHITTEN. Will your regular $125,000 take care of those folks this year? What is the work they have done this year?

Mr. KOTOK. We have worked on these important things. We are trying to study big fires and see what are the elements which cause big fires.

Mr. WHITTEN. There is nothing new in that. That is what you have been doing ever since you have been organized. That is your primary function; is it not?

Mr. KOTOK. We study aspects. We have studied small fires, the slash problem. Other things we have concentrated on are with wetting agents with water. Water is now being used more and using chemicals and wetting agents can make water go much farther.

We have a special study to find out if airplane protection can be substituted and will be cheaper and better than a permanent detection system.

Mr. WHITTEN. You are not going to do all that same work all over again this year; are you?

Mr. KOTOK. No, we do not do the same work over.

Mr. WHITTEN. Why do you not put the 80 percent of that personnel on this phase, rather than request new funds?

Mr. KOTOK. Let me give you an illustration of this.

Mr. WHITTEN. I am talking about the $35,000 extra you are asking for. We are sold on the value of research. You have been doing it for years. You had $125,000 to do it, of which 80 percent goes to personnel. You are going to have those same employees with you this year. You are making certain progress. This year you have reached a point where you want to do something else. You will have $125,000, but you do not want $125,000; you want $35,000 additional.

Mr. KOTOK. We have to cover more territory.

Mr. WHITTEN. You have covered the whole United States.

Mr. KOTOK. I know. But the problem in California is quite different than it is in the Pacific Northwest.

Mr. WHITTEN. You worked in all areas last year; did you not?

Mr. KOTOK. Here is where we are doing our concentrated work. I say "concentrated"; the bulk of it, California, the northern Rocky Mountains, very little in the Pacific Northwest, none in the Southwest, a little in the South, practically none in the Lake States area. So, it is just a question of doing a little bit more in the very vital regions where fire is of great difficulty.

For example, in the Pacific Northwest, we have a one-man show. That is hardly enough to cover all the problems, plus a little short-time help he gets.

Mr. WHITTEN. I realize this is a problem. It is also a problem to find more money than you had this year.

Mr. KOTOK. I wish I could have come out without a single increase, Mr. Chairman. We have shaken this down. I can assure you we have tried to arrange our program so that in those areas where we get a lot of pressure for new work we can meet it with our existing organization.

I will illustrate one in the national forests. We are cutting heavily in northern California and southern Oregon. We have had little research work there. We are doing our best to give them tentative cutting methods.

Mr. WHITTEN. How much forest survey work have you done in fiscal year 1951, or will you do?

Mr. KOTOK. In area?

Mr. WHITTEN. Yes.

Mr. KOTOK. We cover about 23,000,000 acres in initial surveys, and 17,000,000 acres in resurveys.

Mr. WHITTEN. How much will that leave of unsurveyed land?

Mr. KOTOK. We will have about 101,000,000 acres for resurvey that we ought to do. In the initial survey there is another 200,000,000 acres. What we are trying to do is to hold down the initial survey action, except in the critical areas, where we have to have inventories and we find we need more information on the resurveys than we do on the initial.

LANGUAGE CHANGES

Mr. WHITTEN. Briefly, explain the language changes.

Mr. LOVERIDGE. You are speaking of the changes on page 350?

Mr. WHITTEN. Yes.

Mr. LOVERIDGE. The first one proposes deletion of the language limiting the cost of water supply and sanitary systems since inclusion of a specific limitation is unnecessary. For many years the Forest Service has been operating under a limitation of $450, plus an authori-

zation of $8,000 annually which could be applied to any situation where the $450 limitation proved inadequate.

In only 1 year since 1925 has the authorization of $8,000 been fully used. Under these conditions, it does not appear to be necessary to apply a limitation to water supply in sanitary systems. While the $1,000 limitation now carried in the appropriation act will prove to be adequate in 99 percent of the cases, a few situations may develop, especially in the Southwest, where such a limitation would make it impossible to establish a range station at the proper location because of expensive well-drilling costs. The act of April 24, 1950, repealed the acts which established the $450 limitation and the $8,000 authorization.

The second change proposes to delete the nonrecurring authorization provided in the 1951 act for the installation of an elevator in the Yeon Avenue warehouse at Portland, Oreg., as retention of the provision is no longer necessary.

The third change in language proposes deletion of the subappropriation item "General administrative expenses," and the consolidation of funds presently carried under this item with other applicable appropriations of the Forest Service. This change is proposed for the sole purpose of simplifying the appropriation structure and administration of the Service, and will in no way affect the nature or scope of the work conducted.

The fourth change in language is for the purpose of including under the subappropriation item "National forest protection and management," the language previously carried under the item "General administrative expenses" authorizing the payment of expenditures of the National Forest Reservation Commission.

The fifth change in language proposes deletion of the authorization making available not to exceed $5,000 for the purchase of administrative sites. Section 13 of the act of April 24, 1950, authorizes the expenditure of not to exceed $25,000 annually for this purpose; therefore, specific authorization in the appropriation act is no longer necessary.

The sixth change in language proposes consolidation of the subappropriations "Forest and range management investigations," "Forest products," and "Forest resources investigations" into a new single subappropriation item, "Forest research." This consolidation is proposed for the sole purpose of simplifying the appropriation structure and administration of the Service, and will in no way affect the nature or scope of the research work conducted.

Authorizations contained in the 1951 Appropriation Act specifying $41,000 for investigations and experiments at the Bartlett Experimental Forest, and $30,000 for the establishment of a forest utilization service unit in the Southwest are proposed for deletion under the new subappropriation "Forest research." The specific authorizations are unnecessary since an equitable allocation of funds will be made to these activities to the extent permitted within total funds provided under this item.

Mr. WHITTEN. Are there any questions on these items?

Mr. HORAN. I would like to ask some questions about the Forest Service. We have this map before us which comprises 624,000,000 acres as the total forest land to be covered. It is my understanding that about 183,000,000 acres of that is under the Forest Service.

Mr. KOTOK. No, 163,000,000. That does not include Alaska.

Mr. HORAN. I have not reviewed the figures. In the Interior Department how much of this land to be surveyed comes under the Bureau of Public Lands?

Mr. KOTOK. I could not give you the figure offhand.

Mr. HORAN. In excess of 300,000,000 acres.

Mr. KOTOK. Some of the land, the range land, would not be included in the timber.

Mr. HORAN. You have some pink stuff here.

Mr. KOTOK. We covered it with pink to indicate that it had not been surveyed.

Mr. HORAN. What I am trying to establish, Mr. Chairman, is the confluence of responsibility. A lot of the urging of this comes from people in the lumber business who own private lands which are included in this total. Public Lands then has an excess in half of this amount?

Mr. KOTOK. Yes.

Mr. HORAN. I am sure it is in excess of half.

Mr. WATTS. The Bureau owns a lot of land.

Mr. HORAN. I want to get this down. There is a big demand for it out my way. What is the total of the State lands?

Mr. MCARDLE. About 27,000,000 acres.

Mr. HORAN. The survey should cover that, I understand. That is State lands. And about 345,000,000 acres is privately owned?

Mr. MCARDLE. Yes.

Mr. HORAN. The remainder is spread between three departments. The Department of the Interior would have some, the Bureau of Public Lands would have some at least, the National Park Service. Do you know the total of their forest lands?

Mr. MCARDLE. I do not know.

Mr. HORAN. Do you know the total of the Bureau of Indian Affairs?

Mr. WATTS. We will try to get you that breakdown.

Mr. HORAN. There is an answer here. I think the committee should have it. In addition to that, there are some reservations that have some timber on them under other divisions of the Government, although it is very little. The Soil Conservation Service has some reservations, and the Army and Navy. They might have some reservations where there might be timber.

In this survey, what is the extent of participation in other divisions of Government, State and National?

Mr. KOTOK. Let us take the States. With all the States that have substantial State forest lands, they carry the full load of all the State lands where we have had a survey. That is true of Minnesota and Wisconsin. It is not so true of the Southern States. These States do not own very much.

In the West that is true, too. They carry part of the load, in money or in kind. They give us manpower. They pay their way. The States go further than that. They actually cooperate, though not evenly State, by State in the survey that is done on private lands.

The unfortunate thing is that some of the poorer States are not in a position to do that. They may contain large areas of forest land but they are not prepared to carry the load for the survey.

In the richer States we can be more exacting and get better cooperation.

We are confronted with a situation in States that we know are putting relatively little in other forestry items. We want to encourage them to put enough in on fire. We have some difficulty with some States to build that up.

The response from those States that presumably are in better financial position to help has been progressively better and better. I imagine Wisconsin will pay two-thirds of the cost.

Mr. HORAN. That takes care of the State lands. What goes on in relation to these surveys? The private lands do comprise the greatest portion of this. Is it reasonable for me to assume in acquiring these private lands an inventory took place before the purchase of these lands by individuals?

Mr. KOTOK. In the Pacific Northwest we used the original purchase inventory. It was not accurate enough for our purposes because it did not represent the actual timber on the ground. Some species were not included. It was a sale estimate.

Mr. HORAN. What I want to know is what kind of cooperation you get from the private holders.

Mr. KOTOK. Splendid. They said, "Here are our cruises. Take them." Some of them have not been very helpful because the cruises did not represent what they actually had on the ground. They were good selling cruises.

Mr. HORAN. What does the Interior Department do about this forest survey?

Mr. KOTOK. In areas where the survey has been under way they have helped. I do not believe they have gone as far as we would have liked them to have gone. I don't know how they could have financed it.

Mr. HORAN. Mr. Kotok, you have me completely confused. We have a map of the United States before us. We know that the Forest Service has only a part of the total forest land to be surveyed. Yet I am given the impression you have the total responsibility.

Mr. KOTOK. That is what the act says. We are responsible to supply the Congress and the people of the United States with a full statement of inventory and a statement of the condition of the forest lands in the United States, regardless of ownership or of any other condition.

Perhaps a consideration of the legislation authorizing the forest survey would help to clarify our authority and responsibility.

Section 9 of the McSweeney-McNary Forest Research Act of 1928 authorizes the Secretary of Agriculture to make "a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States, and of timber supplies, including a determination of the present and potential productivity of forest land therein, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States." Amendments in 1944 and in 1949 increased the authorization for the survey but did not change the authority or responsibility contained in the original legislation.

Obtaining information to assist in balancing the timber budget of the United States is the real objective of the survey. This cannot be done if the survey is limited to private forest lands or to public forest lands or to national forest land. The survey must cover all forest lands, regardless of ownership, in order to know the volume and other

characteristics of the present resource, the rate at which the forest resource is being destroyed or utilized, and the rate at which new growth is replacing or can replace this drain. Present and prospective timber requirements for the entire Nation can then be compared with the Nation's timber reserve and timber-producing capacity. Anything less than full knowledge of the resource would leave gaps in the information needed to determine the timber budget or to aid in balancing it.

Mr. HORAN. It strikes me, Mr. Chairman, here is one place we can certainly use some legislation.

I personally, unless we can hold you responsible for everything that goes on in the national forests, hate to see you saddled with a responsibility to make surveys of forest lands when the bulk of it is either in private hands or under the Interior.

Mr. KOTOK. As you recall, it was only 2 years ago that the Eighty-first Congress legislated on it. The Seventy-eighth Congress also legislated on it.

Mr. HORAN. The full import of this is beginning to be apparent. I, for one, am not satisfied with the matter. Off the record.

(Discussion off the record.)

Mr. HORAN. Mr. Chairman, I do feel some effort ought to be made to amend the law in a more realistic way. I do not think the Forest Service should be held entirely responsible for this survey. There is a demand for it. It is necessary. I think that is true. I do not think that the Forest Service should have the responsibility of inventorying something that belongs to the Interior. I do not think you do either.

Mr. WHITTEN. No; I do not. It should be worked out some way where there could be cooperation between the States, private owners, and otherwise.

Mr. KOTOK. The law gives us broad authority for cooperative effort.

Mr. HORAN. Do you have a chart showing the total amount of money spent by States and private people?

Mr. KOTOK. We will be glad to include that on the record.

(The matter referred to is as follows:)

Contributions from State and private sources to Forest Survey work from July 1, 1946, through December 31, 1950, by regions

West	$381,000
North	756,000
South	82,000
Total	1,219,000

In addition to the above, considerable timber inventory information was obtained from the Department of the Interior. The dollar value of these data has not been computed.

Mr. HORAN. What is being contributed by State governments, through private cooperative funds, what, if anything, is being done by the Department of the Interior?

This is a good thing I have been assured by private operators. You have testified in that direction, also. We are entitled to the full picture.

Mr. KOTOK. May I add one comment here on the Interior land? Where they have already inventoried for their own purposes we use those inventories. We do not duplicate any inventory.

If the National Forest Administration in connection with sales has an inventory, we do not cover that again. Our job is not to have a survey on a survey. What our survey group takes is a survey that can be authenticated and fitted in to give a rounded-out picture.

If the Interior has surveys on land, and they have on some, they are sufficient. The only thing we may have to do is check on estimates of potential growth.

Mr. HORAN. How long have the forest surveys been under way?

Mr. KOTOK. They started in the 1930's. There was a lag. We started our first ones in the South, the Douglas fir region and the Great Lakes region. We have found the resurveys after 10 years are more important.

They give us a fairly good size-up of what is happening. To illustrate, I have one for the Lake States which has been completed. Here is an ideal representation of the way the forest ought to look.

Here is what you have in the Lake States. We use that for pictorial purposes and demonstration. I think it shows you the situation about as well as we can, pictorially. That is what they ought to be growing. They have a figure showing that under "good management" they can double the growth in 70 years. It will require planting of about 100,000 acres annually.

It is important for the people to know what the over-all problem is.

Mr. Chairman, that is all the evidence I have.

FOREST DEVELOPMENT ROADS AND TRAILS

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$10,348,000	[1] $10,348,000	$17,500,000
Transferred from "Control of forest pests, Department of Agriculture," pursuant to 5 U. S. C. 572		250,000	
Transferred to—			
"Control of forest pests, Department of Agriculture," pursuant to 5 U. S. C. 572	−250,000		
"Operating expenses, General Services Administration," pursuant to Reorganization Plan No. 18 of 1950		−5,400	
Adjusted appropriation or estimate	10,098,000	10,592,600	17,500,000
Prior year balance available	607,312	896,638	
Total available for obligation	10,705,312	11,489,238	17,500,000
Balance available in subsequent year	−896,638		
Obligations incurred	9,808,674	11,489,238	17,500,000
Comparative transfer from "Salaries and expenses, Forest Service"	97,000	94,900	
Comparative transfer to "Operating expenses, General Services Administration"	−5,400		
Total direct obligations	9,900,274	11,584,138	17,500,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	125,337	139,315	139,315
Payments received from non-Federal sources	53,968	47,685	47,685
Total reimbursable obligations	179,305	187,000	187,000
Total obligations	10,079,579	11,771,138	17,687,000

[1] Supplemental in the amount of $5,800,000 included in H. Doc. No. 67 is being considered by the committee.

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Construction of roads and trails	$2,429,023	$3,214,138	$9,130,000
2. Maintenance of roads and trails	7,471,251	8,370,000	8,370,000
Total direct obligations	9,900,274	11,584,138	17,500,000
REIMBURSABLE OBLIGATIONS			
1. Construction of roads and trails	14,682	15,000	15,000
2. Maintenance of roads and trails	23,486	24,000	24,000
3. Sale of supplies, materials, and equipment	141,137	148,000	148,000
Total reimbursable obligations	179,305	187,000	187,000
Total obligations	10,079,579	11,771,138	17,687,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	1,100	1,118	1,393
Full-time equivalent of all other positions	1,066	1,346	1,736
Average number of all employees	2,063	2,383	3,025
Personal service obligations:			
Permanent positions	$3,620,593	$3,837,424	$4,697,691
Part-time and temporary positions	2,462,627	3,180,283	4,232,218
Regular pay in excess of 52-week base	12,511		15,000
Payment above basic rates	38,379	38,000	43,000
Total personal service obligations	6,134,110	7,055,707	8,987,909
Deduct charges for quarters and subsistence	21,854	22,000	22,000
Net personal service obligations	6,112,256	7,033,707	8,965,909
DIRECT OBLIGATIONS			
01 Personal services	6,059,948	6,966,574	8,898,776
02 Travel	159,374	152,872	202,872
03 Transportation of things	58,734	66,250	126,250
04 Communication services	33,720	34,957	42,957
05 Rents and utility services	89,847	96,041	92,241
06 Printing and reproduction	7,016	7,474	7,474
07 Other contractual services	402,662	535,670	725,570
Services performed by other agencies	404,857	428,234	428,234
08 Supplies and materials	1,862,875	2,228,938	2,781,421
09 Equipment	648,786	711,370	861,370
10 Lands and structures	171,096	278,473	3,264,050
13 Refunds, awards, and indemnities	1,359	1,285	1,285
15 Taxes and assessments		16,000	67,500
Total direct obligations	9,900,274	11,584,138	17,500,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	52,308	67,133	67,133
02 Travel	514	374	374
03 Transportation of things	718	540	540
04 Communication services	318		
05 Rents and utility services	109	50	50
07 Other contractual services	351	600	600
08 Supplies and materials	124,307	106,953	106,553
09 Equipment	680	11,150	11,150
15 Taxes and assessments		200	600
Total reimbursable obligations	179,305	187,000	187,000
Total obligations	10,079,579	11,771,138	17,687,000

Mr. WHITTEN. We will insert page 379 showing what your plan is for the development of the road and trail system.

(The material referred to is as follows:)

Status of development road and trail system

	Percent	Miles	Miles per square mile gross area	Estimated cost to complete
Development roads:				
Satisfactory standard	34	49,522	0.14	
Unsatisfactory standard	41	58,209	.16	$223,181,000
Nonexisting	25	36,076	.10	396,767,000
Total	100	143,807	.40	619,948,000
Trails:				
Satisfactory standard	67	92,309	.26	
Unsatisfactory standard	26	34,974	.10	6,728,000
Nonexisting	7	9,660	.03	7,000,000
Total	100	136,943	.40	13,728,000
Total for development roads and trails				633,676,000

Mr. WHITTEN. It is shown that you lack 600 million dollars of having the money to complete the system of roads that you intend some day to put in these forests.

I would like to have inserted in the record page 375, showing "Forest development roads and trails." We have covered this pretty thoroughly.

(The material referred to is as follows:)

Forest development roads and trails

Appropriation Act, 1951	$10,442,900
Activities transferred in 1952 estimates to "Operating expenses, General Services Administration, Public Buildings Service" for operation and maintenance of buildings	−5,400
Base for 1952	10,437,500
Budget estimate, 1952	17,500,000
Increase	+7,062,500

NOTE.—Although an increase of $7,062,500 in direct appropriation is requested for this item for 1952, it is estimated that there will be an increase of only $5,915,862 in total funds available due to the availability of prior-year balance of $1,146,638 in fiscal year 1951.

Summary of increases and decreases, 1952 (on the basis of available funds)

For the construction of access roads to standing timber	+$5,950,462
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−34,600

Project statement

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
1. Construction	$2,429,023	$3,214,138	−$34,600	+$5,950,462	$9,130,000
2. Maintenance	7,471,251	8,370,000			8,370,000
Subtotal	9,900,274	11,584,138	−34,600	+5,950,462	17,500,000
Prior-year balance available	−607,312				
Transferred "Control of forest pests, Department of Agriculture"	+250,000	−250,000			
1950 balance available in 1951	+896,638	−896,638			
Transfer in 1952 estimates from "Salaries and expenses, Forest Service"	−97,000	−94,900			
Transfer in 1952 estimates to "Operating expenses, General Services Administration"	+5,400	+5,400			
Total appropriation or estimate	10,348,000	10,348,000			

Mr. WHITTEN. I call attention to the fact that you are calling for 7 million dollars additional to build access roads.

CONSTRUCTION OF ROADS BY PRIVATE COMPANIES

Mr. ANDERSEN. On that point, Mr. Chairman, getting back to my old thesis that those who get the benefits should help to pay part of this bill, are we not entirely too liberal with some companies in building such roads for them, Mr. Watts?

Mr. WATTS. I do not think that we are. It comes out of the timber in the long run either way you do it.

As a matter of fact, some reference was made this morning to the standard of roads to be built. Actually, and particularly in the West, where most of this money goes, the roads that the private companies build on their own land or on the national forest where they have to build the road, is sometimes of considerably higher standard than we would have built.

I have in mind the roads which the Hines Lumber Co. built. It was Malheur National Forest timber they were taking out, but under the contract they built the roads. They built a very high standard road, sufficient to carry those tremendously large logging trucks that haul 15,000 board feet of logs per trip. It means they have to have upwards of 2 feet of ballast on top in order for them to be usable with that sort of transportation.

Therefore, having in mind the type of road that is required for present-day transportation and the cost of an adequate road, it has to come out of the stumpage hauled over it, no matter whether we build it or they do.

CONDITION OF FORESTS IN AREAS OPENED BY ROADS

Mr. ANDERSEN. One more line of approach on that same subject. During World War II we expended many millions of dollars on access roads. That should, in my opinion, have opened up a vast area for the cut. Have we cleaned out all that area which was opened up by those particular roads?

Mr. WATTS. I think I could illustrate that best by taking a place like the Clackames River which is close to Portland, Oreg.

That is a rather large drainage with an annual cut of more than 100 million board feet a year. We built the first several miles of that road during the last war. It was expensive to build. I suppose we put in upward of 1 million dollars.

We have not cut all the timber along that part of the road, because under your staggered settings you cut one block and leave another.

What we are doing in the Pacific Northwest to a startling degree is cutting too much timber out in front without shoving our road clear back to the upper end of the area. When you cut so much out in front, leaving the back end until the last of the cutting on that working circle, you find yourself having cut over all your winter chances. You end up in the back country, in the higher mountains where you cannot operate in the winter.

Therefore, you get a badly balanced operation. We would be much better off to shove the main roads through. Then we can select the place on the working circle to sell the timber where it ought to be sold, rather than being forced to sell it out in front because of the lack of a road to the high country.

Mr. ANDERSEN. That requires you to maintain just that much more road mileage.

Mr. WATTS. It does, but you get better forest practice out of it.

Mr. HORAN. I think before we leave that subject I would like to say that no mill man wants to go any farther from his mill than he has to. It has to be regulated, otherwise he will cut near his mill. So, in your working circle, you have to stagger the cut throughout.

COST OF COMPLETING ROAD AND TRAIL SYSTEM ON NATIONAL FORESTS

Mr. WHITTEN. Again, I wish to call attention to your plan for the eventual construction of about 95,000 more miles of development roads and approximately 45,000 miles of trails. To eventually meet your plan it will cost $633,000,000.

How fast does your projected plan call for doing that additional work, Mr. Watts? How much a year?

Mr. WATTS. Maybe Mr. Dean can answer that. He is the logging engineer for the Forest Service.

Mr. GRANGER. I think I can answer it, in one way. Our immediate objective is to get about 100 million dollars worth of that work done for the purpose of opening up the big areas of inaccessible timber so that we can increase our allowable from 4,000,000,000 to 6,000,000,000 feet a year. For the rest of it, we have no schedule.

It depends in considerable part on the rate at which we can install more intensive forest management practices. As we are able to get better utilization of the smaller material, things of that kind, we will need an increasing road system to accomplish it. In the South now we are able to go in some forest areas there and cut every 3 years. It means a light cut. It means you have to have an intensive enough road system so you can get to all parts of your area to enable you to take out the light cut, which has a beneficial effect in increasing the growth rate and yield of a given area.

So far as timber is concerned, the thing we hope to keep pace with is the possibility of increasing by more intensive management.

Mr. WHITTEN. When did you draw this plan up?

Mr. GRANGER. This plan has been in existence for a great many years. It has been amended and improved from time to time by a redetermination of the road system needed to adequately serve the national forest for all purposes.

Mr. WHITTEN. How fast did you plant to get the 100 million dollars?

Mr. GRANGER. We would like to have it in 5 years.

Mr. WHITTEN. So your $7,000,000 this year is not altogether the demands of national defense after Korea, but is part of a projected plan you have had for many years?

Mr. GRANGER. That is right.

Mr. WHITTEN. And you are taking advantage of the present emergency to get it past the budget?

Mr. GRANGER. No, sir. We are taking cognizance of the present situation.

Mr. WHITTEN. If the national situation had not been what it was, you would have requested it of the Department and the Bureau of the Budget, but not in the name of national defense?

Mr. GRANGER. That is right. We did it last year.

Mr. WHITTEN. So national defense is purely incidental as far as the Department is concerned, because you would have asked for it anyway?

Mr. GRANGER. It is an added reason why we think it is important to step it up.

Mr. WHITTEN. It is not stepped up, is it? One hundred million dollars in 5 years would be twenty million dollars a year, is that not right?

Mr. GRANGER. That is right. The Bureau of the Budget has under consideration a supplemental for 5 million dollars.

Mr. WHITTEN. That is being considered at the present time?

Mr. GRANGER. Yes, sir.

Mr. WHITTEN. Did you describe to them the particular roads you would build with the 5 million dollars?

Mr. GRANGER. No, but I can tell you what they are. I have a list of them.

Mr. WHITTEN. We have the other information coming up first. We might have it follow the other.

ACQUISITION OF LANDS FOR NATIONAL FORESTS—WEEKS ACT

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$401,000	$300,000	$100,000
Unobligated balance, estimated savings	−1,776		
Savings under sec. 1214		−50,000	
Total obligations	399,224	250,000	100,000

Obligations by activities

Acquisition of lands for national forests:

1950	$399,224
1951	250,000
1952	100,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	7	4	2
Full-time equivalent of all other positions	3	3	2
Average number of all employees	12	7	4
01 Personnal services:			
Permanent positions	$39,501	$21,214	$13,064
Part-time and temporary positions	7,032	6,475	3,190
Regular pay in excess of 52-week base	119		40
Total personal services	46,652	27,689	16,294
Deduct charges for quarters and subsistence	72		
Net personal services	46,589	27,689	16,294
02 Travel	4,614	3,000	1,500
04 Communication services	361	225	125
06 Printing and reproduction	917		
07 Other contractual services	53		
08 Supplies and materials	3,115	2,400	1,150
09 Equipment	959		
10 Lands and structures	342,625	216,666	80,831
15 Taxes and assessments		50	100
Total obligations	399,224	250,000	100,000

Turning now to acquisition of lands, we will put page 380 in the record.

(The material referred to is as follows:)

Acquisition of lands for national forests, Weeks Act

Appropriation Act, 1951	$300,000
Reduction pursuant to sec. 1214	−50,000
Base for 1952	250,000
Budget estimate, 1952	100,000
Decrease (due to reduction in level of land purchase program)	−150,000

Project statement

Project	1950	1951 (estimated)	Decrease	1952 (estimated)
Acquisition of lands for national forests	$399,224	$250,000	−$150,000	$100,000
Unobligated balance	1,776			
Total available	401,000	250,000	−150,000	100,000
Reduction pursuant to sec. 1214		+50,000		
Total appropriation or estimate	401,000	300,000		

WEEKS LAW FOREST LAND PURCHASE PROGRAM

Mr. WHITTEN. You have only $100,000 here. We put a provision in the report last year suggesting that instead of buying still additional land you limit yourself to buying land that was entirely surrounded by other Government land.

Did you so handle your work that way this year?

Mr. HOPKINS. We bought only inactive units.

Mr. WHITTEN. What is the report?

Mr. HOPKINS. Land purchases were limited to areas where we had already quite a lot of ownership. It was primarily for consolidation purposes.

Mr. WHITTEN. The report was as follows:

The conferees of both Houses agree that none of these funds shall be used to purchase lands unless they are located entirely within national forest boundaries.

Mr. HOPKINS. That is right. Those instructions were followed. For fiscal year 1952 we are asking for $100,000. Continuation of our land purchase program will largely be restricted to within established and active units, but will also largely be limited to tracts which it is felt will make a definite contribution to both the national economy and the war effort.

PRESENT STATUS WEEKS LAW PURCHASE PROGRAM

I would like to explain that comment by one rather broad statement of the status of our program. You are familiar with this map, on which the colored areas form the purchase units, although we do not buy solid ownership. The different colors however indicate the percentage of the forest land in each purchase area bought to date. Roughly, we have acquired just less than 23,000,000 acres within these units.

We have just over 23,000,000 acres of similar forest land that from present indications should be purchased, leaving about 7,000,000 acres which at present, at least, it is indicated should not be acquired and should be kept in private ownership. That land, roughly, has cost the Government between 80 and 90 million dollars. It is now worth at least twice that. Last year receipts of about 8.8 million dollars, or about 40 cents per acre were obtained from these national forest lands.

Mr. WHITTEN. Inflation has brought a good deal of that about?

Mr. HOPKINS. That is right. I mention it however in connection with the average price actually paid for the land of less than $4 an acre. Most of it was bought some time ago.

APPROVAL BY NATIONAL FOREST RESERVATION COMMISSION

It should be mentioned first that each one of these land-purchase units was approved by the National Forest Reservation Commission and each tract purchased is approved by them. Since the passage of the Weeks law in 1911 an average of between 2 and 3 million dollars a year has been spent in purchasing national forest land. If you cut out the war years, land-purchase expenditures would be about 3 million dollars per year. That might be called our construction project. We are cutting down on that now to what you might call the maintenance cost or expenditure level.

Our present situation in our forest land-purchase program may be compared to building a pretty expensive house. We have to stop the construction job for a time, but it would be very unfortunate if we did not have enough money each year to put a shingle back on if the roof started to leak, or replace a broken window, in order to save major values that would otherwise be lost.

TYPES OF FOREST TRACTS TO BE PURCHASED

The type of areas that we expect to buy this year with the $100,000 of Weeks law money that is requested may be described in brief as follows:

In some purchase areas we have private land that forms a very high fire hazard. One rather unusual case is in our Houston unit in Texas, where 700 acres has been costing an additional $10,000 per year in fire protection. It would cost about $17,000 to $18,000 to purchase the tract but that would save us $10,000 a year. From that standpoint it is good business to buy it.

A more typical case is an area shown here on the map in the Ouachita unit in Arkansas. It was available at $9 an acre but we could not buy it. It was sold to another person who stripped off the timber and it is now covered with a bad crop of sedge grass forming a high fire hazard. Probably that increases our fire cost on that forest $300 a year. It would be good business to buy the tract for $540 and place it in a more productive condition. Besides fire, we have serious losses sometimes from erosion on interior private properties, either extending back into adjacent Government land or causing eroded debris to be deposited on our forest land.

We could have bought 400 acres in our forest unit in Illinois for $10 an acre. It was however sold to a private owner. He cut off the timber and heavily stocked it with cattle. It started to erode very badly and has been depositing debris and silt on the adjacent Government land. It would have been a considerable saving if that tract had been purchased and put in proper condition.

Mr. WHITTEN. That is true of about how many million acres of this country?

Mr. HOPKINS. You mean, the acreage of eroding land?

Mr. WHITTEN. If the Government bought it and kept it free of erosion, how many million of acres would it be?

Mr. HOPKINS. In this case national forest property that the Government owns is being very badly injured. Such a situation is perhaps of more direct concern to the Government from the standpoint of protecting its investment than if occurring on private land. There are not many cases like that.

Mr. WHITTEN. I think the committee feels, and I know a lot of other folks feel, there should not be a tremendous expansion of the Government holdings.

I think there is some land that you do not have which might well be owned by the Federal Government. But there is much land that is fitted for proper private ownership that you should dispose of. We do not find an agency getting rid of land.

You do exchange some lands?

MINIMUM COMPETITION WITH PRIVATE OWNERSHIP

Mr. HOPKINS. That is right. Any time there is an indication that the private owners will go in and manage the forest land reasonably well, we withdraw from that area if we have not bought land there. If we have bought only a little land, we drop out of that area and exchange the land acquired. You can see from this map that most of our forest units are located in areas where private owners are not willing to own and manage land for timber production.

In connection with our timber sales, we have a lot of isolated tracts of private land within sale areas that it is good business to pick up at $5 an acre rather than to survey, mark and protect the boundaries of each such tract.

NATIONAL FOREST STUMPAGE APPRAISAL

Mr. WHITTEN. I want to be sure I understand you. This is in connection with the sale of lands. I understood you to say that in a big percentage of cases your plan was to eventually reach an agreement with the purchaser that the expenses of operation be taken out of the selling price of the timber and that you go 50–50 in the sale of it, or in the profits of it. There was some statement made today that you arrived at the value for stumpage by taking the selling price less the cost of getting it out.

Mr. GRANGER. What I said was, in order to determine the value of our stumpage for the purpose of offering it in an advertised sale, we take the value of the product, such as lumber, and we take the cost of converting the tree into lumber. The difference we divide. I did not say 50–50 because it is not that. We divide it between the Government in the form of stumpage and the operator in the form of a margin for profit and risk. The way the prices have been going, the Government usually gets the larger part of that difference.

Mr. WHITTEN. How much does the cost of your roads figure in that?

Mr. GRANGER. That is part of the cost of getting the timber out. If the operator is required to build the road, and it costs $1 a thousand board-feet of timber in the sale to get that road built, then the stumpage is calculated to be worth $1 less; if the Government builds the road, it is worth $1 more.

MIDDLEBURY COLLEGE PURCHASE TRACT

Mr. HOPKINS. There is a tract of 9,509 acres right in the center of the Green Mountain unit which was made available for sale for the first time last year after the House committee hearing. I explained the tract and the advantages of buying it to the Senate committee. The Senate report suggested that special attention be given to trying to acquire that acreage. This tract has 26,000,000 board feet of timber of the kind needed in the war effort. The sale price was $140,000. We are able to put only $35,000 of this year's money into it. We hope to be able to complete the purchase of this tract and thereby acquire stumpage for the war effort.

Mr. HORAN. Why cannot Middlebury College take care of it?

Mr. HOPKINS. The college obtained a court order which allowed them to sell only to the Government. The tract was given to them for a park. The timber has become mature but the College otherwise only has authority to sell the down timber. That occurs in little dabs here and there and the real value is not obtained by selling only such small portions.

Mr. WHITTEN. We will pass on unless there are further questions on acquisition of land under the Weeks Act.

Acquisition of Land for National Forests, Superior National Forest, Minn.

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$75,000	$150,000	$150,000
Prior year balance available		8,424	
Total available for obligation	75,000	158,424	150,000
Balance available in subsequent year	−8,424		
Total direct obligation	66,576	158,424	150,000

Obligations by activities

Acquisition of forest land, Superior National Forest, Minn.:	
1950	$66,576
1951	158,424
1952	150,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Full-time equivalent of all other positions		3	3
Average number of all employees	1	4	4
01 Personal services:			
Permanent positions	$2,665	$4,500	$4,500
Part-time and temporary positions		9,470	9,470
Total personal services	2,665	13,970	13,970
02 Travel	9	1,300	1,300
07 Other contractual services	10	30	30
08 Supplies and materials	436	750	350
09 Equipment	50	50	50
10 Lands and structures	63,406	142,274	134,150
15 Taxes and assessments		50	150
Total obligations	66,576	158,424	150,000

Mr. Whitten. We will put page 383 in the record at this point. (The material referred to is as follows:)

Acquisition of lands for national forests, Superior National Forest, Minn.

Appropriation Act, 1951, and base for 1952	$150,000
Budget estimate, 1952	150,000
Change	

Project statement

Project	1950	1951 (estimated)	1952 (estimated)
Acquisition of lands for national forests, Superior National Forest, Minn.	$66,576	$158,424	$150,000
1950 balance available in 1951	+8,424	−8,424	
Total appropriation or estimate	75,000	150,000	150,000

Mr. WHITTEN. That is a continuation of the project started last year. Must you continue that now or can it lay over for another year?

Mr. HOPKINS. This project is based on a law approved June 22, 1948, which directed the Secretary of Agriculture to purchase those lands. The land-purchase authorization in the bill is $500,000; $75,000 was appropriated last year and $150,000 this year; $150,000 is requested for the next fiscal year.

Enactment of this law had, you might say, a restrictive effect on many of the owners' use of their properties, from the standpoint that if improvements were constructed on their previously unimproved property the government would probably condemn such tracts.

Mr. WHITTEN. That is what you wanted to do; stop improvements.

Mr. HOPKINS. Yes. But the owners have not the same freedom that they had before so there is at least some moral obligation for the Government to continue to purchase these lands.

Second, I think without a question the prices are going up materially if purchases are delayed long. Third, we are trying to work out an agreement with Canada, which is progressing very well, under which that nation will take similar action relative to the adjacent Canadian area and together form a veterans' memorial area.

Fourth, this type of wilderness lake area should be of great value in providing healthful rest for soldiers suffering from war shock, as well as for some of the civilian population exhausted from work on war projects.

ACQUISITION OF LANDS FROM NATIONAL FOREST RECEIPTS

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$136,240	$142,000	$142,000
Unobligated balance, estimated savings	−39,421		
Total obligations	96,819	142,000	142,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Uinta and Wasatch National Forests (Utah only)	$7,183	$40,000	$40,000
2. Cache National Forest (Utah only)	9,996	10,000	10,000
3. San Bernardino-Cleveland National Forests (Riverside County, Calif., only)	16,192	22,000	22,000
4. Nevada-Toiyabe National Forests (Nevada)	8,684	10,000	10,000
5. Angeles National Forest (California)	15,366	20,000	20,000
6. Cleveland National Forest (San Diego County, Calif., only)	4,730	5,000	5,000
7. Sequoia National Forest (California)	34,668	35,000	35,000
Total obligations	96,819	142,000	142,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	2	2	2
Average number of all employees	3	3	3
01 Personal services:			
Permanent positions	$17,181	$13,353	$13,603
Regular pay in excess of 52-week base	17		34
Total personal services	17,198	13,353	13,637
Deduct charges for quarters and subsistence	43	43	43
Net personal services	17,155	13,310	13,594
02 Travel	301	1,525	1,525
03 Transportation of things	54	50	50
07 Other contractual services	108	105	105
08 Supplies and materials	1,371	470	470
09 Equipment	628	315	315
10 Lands and structures	77,202	126,225	125,941
Total obligations	96,819	142,000	142,000

Mr. WHITTEN. We pass then to "Acquisition of lands from national-forest receipts." We will insert page 385 in the record.

(The material referred to is as follows:)

Acquisition of lands from national-forest receipts

Appropriation act, 1951	$142,000
Budget estimate, 1952	142,000
Change	

Project statement

Project	1950	1951 (estimated)	1952 (estimated)
1. Uinta and Wasatch National Forests (Utah only)	$7,183	$40,000	$40,000
2. Cache National Forest (Utah only)	9,996	10,000	10,000
3. San Bernardino-Cleveland National Forest (Riverside County, Calif., only)	16,192	22,000	22,000
4. Nevada-Toiyabe National Forests (Nevada)	8,684	10,000	10,000
5. Angeles National Forest, Calif.	15,366	20,000	20,000
6. Cleveland National Forest (San Diego County, Calif., only)	4,730	5,000	5,000
7. Sequoia National Forest, Calif.	34,668	35,000	35,000
Unobligated balance	39,421		
Total appropriation or estimate	136,240	142,000	142,000

Mr. WHITTEN. I take it this is a continuation of the general activity that you have had for several years, where part of the receipts are set aside to buy additional land. Are you limiting it to land that should be taken out of private ownership?

Mr. HOPKINS. We are only buying land that should be acquired. The counties put in 25 percent and the Federal Government puts in 75 percent of the total cost. The areas concerned are where the Weeks law would not apply——

Mr. WHITTEN. If the receipts were used to buy lands, in a thousand years theoretically you would own all the land in the country.

Mr. HOPKINS. Purchases are limited to the specified areas.

Mr. WHITTEN. But the area gets bigger and bigger.

Mr. HOPKINS. We are decreasing floods and erosion.

Mr. WHITTEN. I am trying to find out the limit you will go in adding lands——

Mr. HOPKINS. We would have to have a special bill each time land was purchased outside of specified areas.

Mr. WHITTEN. The area is restricted?

Mr. HOPKINS. It is within the boundaries of established national forests there.

Mr. Whitten. That changes the picture.

STATE AND PRIVATE FORESTRY COOPERATION

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate			$10,820,000
Comparative transfer from—			
"Forest fire cooperation, Department of Agriculture"	$9,024,268	$9,504,900	
"Farm and other private forestry cooperation, Department of Agriculture"	1,117,179	1,327,900	
Total direct obligations	10,141,447	10,832,800	10,820,000
REIMBURSABLE OBLIGATIONS			
Comparative transfer from—			
"Forest fire cooperation, Department of Agriculture"	478		
"Farm and other private forestry cooperation, Department of Agriculture"	62		
Total reimbursable obligations	540		
Total obligations	10,141,987	10,832,800	10,820,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Cooperation in forest fire control	$9,024,268	$9,504,900	$9,493,500
2. Cooperation in forest tree planting	226,045	442,061	442,061
3. Cooperation in forest management and processing	634,106	628,796	627,396
4. Cooperation in farm forestry extension	105,628	106,343	106,343
5. General forestry assistance	151,400	150,700	150,700
Total direct obligations	10,141,447	10,832,800	10,820,000
REIMBURSABLE OBLIGATIONS			
1. Cooperation in forest fire control	478		
3. Cooperation in forest management and processing	62		
Total reimbursable obligations	540		
Total obligations	10,141,987	10,832,800	10,820,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	178	180	180
Full-time equivalent of all other positions	8	29	29
Average number of all employees	148	169	169
DIRECT OBLIGATIONS			
01 Personal services:			
Permanent positions	$685,720	$694,572	$698,694
Part-time and temporary positions	15,001	47,184	47,184
Regular pay in excess of 52-week base	2,144		2,803
Payment above basic rates	214	90	90
Total personal services	703,079	741,846	748,771
Deduct charges for quarters and subsistence	433	1,000	1,000
Net personal services	702,646	740,846	747,771
02 Travel	58,532	59,710	59,710
03 Transportation of things	12,552	12,660	12,660
04 Communication services	5,180	5,716	5,716
05 Rents and utility services	14,848	13,400	6,070
06 Printing and reproduction	48,453	48,279	48,279
07 Other contractual services	20,288	6,627	1,507
Services performed by other agencies	3,818	5,000	5,000
08 Supplies and materials	34,467	43,192	35,217
09 Equipment	8,128	8,349	8,349
11 Grants, subsidies, and contributions	9,232,535	9,888,821	9,888,821
15 Taxes and assessments		200	900
Total direct obligations	10,141,447	10,832,800	10,820,000
REIMBURSABLE OBLIGATIONS			
02 Travel	127		
04 Communication services	413		
Total reimbursable obligations	540		
Total obligations	10,141,987	10,832,800	10,820,000

We will insert page 388 in the record, "State and private forestry cooperation."

(The material referred to is as follows:)

State and private forestry cooperation

Appropriation Act, 1951 (adjusted, see proposed structure, p. 338)	$10,867,800
Reduction pursuant to sec. 1214	−35,000
Base for 1952	10,832,800
Budget estimate, 1952	10,820,000
Decrease (to provide a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation)	−12,800

Project statement

Project	1950	1951 (estimated)	GSA adjustment	1952 (estimated)
1. Cooperation in forest-fire control	$9,024,268	$9,504,900	−$11,400	$9,493,500
2. Cooperation in forest tree planting	226,045	442,061		442,061
3. Cooperation in forest management and processing	634,106	628,796	−1,400	627,396
4. Cooperation in farm forestry extension	105,628	106,343		106,343
5. General forestry assistance	151,400	150,700		150,700
Unobligated balance	3,253			
Total available	10,144,700	10,832,800	−12,800	10,820,000
Transfer in 1952 estimates from: "Salaries and expenses, Forest Service"	−44,700	−67,800		
Reduction pursuant to sec. 1214		+35,000		
Total appropriation or estimate	10,100,000	10,800,000		

STATUS OF PROGRAM

Mr. WHITTEN. I believe I would also like to insert in the record at this point pages 390 through 394. The purpose is to show what contributions the States are making.

(The material referred to is as follows:)

STATUS OF PROGRAM

CURRENT ACTIVITIES

This program, for the most part carried on in cooperation with the States, encourages private timber growing through assistance in preventing and suppressing forest fires, reforestation of denuded areas, good management of woodlands, and farm forestry extension work.

The program centers on forest land in private ownership although to a minor degree it includes State-owned lands and Federal lands under long-term lease to the States. These privately owned lands comprise three-fourths of the Nation's commercial forest area. They are the most productive and accessible forest lands and from them comes 90 percent of all timber cut. The program further centers on small forest properties in private ownership because (1) 76 percent of the private commercial forest acreage is in small holdings averaging only about 62 acres each, (2) the small-owner group includes 99 percent of all private forest owners and (3) present cutting practices are poorest on these small properties and their owners do not have the technical knowledge or skills necessary to put their woodlands in productive condition.

RECENT PROGRESS AND TRENDS

1. *Cooperation in forest fire control.*—Assistance is furnished 43 States and 1 Territory in preventing and suppressing forest fires on private and State-owned lands. This assistance includes financial aid, training in fire-fighting techniques, procurement and development of better fire tools, equipment, radio and communication facilities, and direction of a Nation-wide campaign to reduce the number of man-caused forest fires. The status of protection on these non-Federal areas on January 1, 1950, was:

	Unit	Percent
	Million acres	
(a) State and private forests now being protected	357	
State and private forests unprotected but needing it	70	
Total	427	
(b) Calendar year 1949:	*Number*	
Fires on protected lands	78,649	43.0
Fires on unprotected lands (estimated)	105,533	57.0
Total	184,182	100.0
	Acres	
(c) Area burned on protected lands	2,320,485	15.0
Area burned on unprotected lands (estimated)	12,760,118	85.0
Total	15,080,603	100.0
(d) Percent of protected area burned		.65
Percent of unprotected area burned (estimated)		15.59
(e) Fiscal year 1950 expenditures by:	*Amount*	
State and counties	$18,121,195	62.0
Private owners	2,261,440	8.0
Federal (Clarke-McNary)	9,000,000	30.0
Total	29,382,635	100.0
(f) State prosecutions for fire law violations 6,880 with 95 percent convictions.		

2. *Cooperation in forest tree planting.*—For more than 60,000,000 acres of privately owned forest land—about one-sixth of the total private forest acreage—planting is the only practical way to restore productivity. To encourage woodland owners to plant trees, planting stock is provided at less then cost. The States grow the trees and the Federal participation consists of sharing part of the cost with the States.

For fiscal year 1950:

(*a*) There are 41 States and 2 Territories in the program.

(*b*) Trees distributed:

Under this program		136, 501, 000
Not under this program		169, 927, 000
Total		306, 428, 000

(*c*) Expenditures:

Federal		$224, 600
State:		
From appropriation	$758, 775	
From sale of planting stock	555, 360	
		1, 314, 135
Total		1, 538, 735

3. *Cooperation in forest management and processing.*—In cooperation with State foresters technical forestry service is provided private landowners. Work is done in specific project areas of two or more counties each. In each project a forester assists small woodland owners in technical timber management and marketing problems which they cannot do themselves.

For fiscal year 1950:

(a) Number of States in the program		39
(*b*) Number of service foresters		226
(*c*) Number of woodland owners assisted		22, 828
(*d*) Woodland area involved	acres	2, 543, 000
(e) Number of forest products operators assisted		5, 773
(*f*) Expenditures:		
State		$726, 973
Federal appropriation		634, 106
Total		1, 361, 079

COOPERATION IN FARM FORESTRY EXTENSION (EXTENSION SERVICE)

(A) The educational work carried on during the past year resulted in increased activity in the following: forest tree planting for pulpwood, fence posts, saw timber, and other products; home use of farm grown timber as lumber for new construction and repair of farm buildings; marketing of farm timber; treatment of lumber and fence posts with preservatives; mechanization of farm logging operations and reduction of costs by use of better equipment and improved logging practices.

(B) For the past 25 years the Agricultural Extension Service in California has carried on a campaign of education emphasizing the value of windbreaks in citrus areas of Orange, San Bernardino, Riverside, and Los Angeles Counties. Field studies show that adequate windbreaks are a vital part in the production of high quality fruit. Now, there are approximately 2,000 miles of eucalyptus windbreaks in these areas which add millions of dollars each year to the value of the citrus crop. This is because well protected trees maintain better vigor and produce larger crops of better quality and value.

(C) In Wyoming the blizzard of 1949 brought forth many instances of suitable protection by trees from drifting snow and freezing winds. Trees provided protection for farm buildings and livestock. In Goshen County a shelterbelt consisting of six rows of trees was planted in 1936. The trees were spaced according to the extension forester's recommendations. Snow drifted in the trees to a depth of 16 to 20 feet and for a distance of 50 to 100 feet to the leeward side. Livestock had free access to feedlots and buildings inside the windbreak. These lots were not drifted in with more than 2 to 3 feet of snow. This windbreak during the winter of 1949 meant $3,000 to this farm home and livestock from the standpoint of protection, and saving of heating in the house.

(D) In Tillamook County, Oreg., a coastal county of 500,000 acres, there are only 60,000 acres of farm land and the remainder is in spruce, hemlock timberlands. There has never been a market for pulpwood from these farm woodlands so farmer interest has been very low. By working with a pulp company at Oregon City, a collection point has now been established in the county and pulpwood is being purchased f. o. b. the collection point. Approximately 15 farmers have already begun production and have begun making annual incomes from their woodlands. The production of this wood has become another integrated farm enterprise.

5. *General forestry assistance.*—As the major Federal agency dealing with forestry, the Forest Service gets thousands of inquiries and requests from the general public for information on forestry matters. Most of the inquiries from private consulting foresters, State foresters, professional forestry schools, industrial foresters, and from other Federal departments are highly technical and ordinarily the information or technical assistance needed is not available anywhere else. Much of this requested asssitance is given by field technicians of the Service and involves numerous field surveys, consultations, etc. Also included in this item is administration of nearly 500,000 acres of federally owned forest land under long-term lease to the States.

State allotments and expenditures for cooperation in forest fire control

State	State and private funds expended, fiscal year 1950	Federal allotments, fiscal year 1951	State	State and private funds expended, fiscal year 1950	Federal allotments, fiscal year 1951
Alabama	$573,959	$332,638	New York	$557,803	$243,288
Arkansas	547,188	270,476	North Carolina	528,139	255,626
California	3,976,870	1,637,621	Ohio	142,722	57,088
Colorado	42,655	27,647	Oklahoma	99,698	58,850
Connecticut	79,021	49,025	Oregon	1,540,308	708,166
Delaware	11,054	13,500	Pennsylvania	484,202	199,790
Florida	1,115,607	465,553	Rhode Island	78,256	26,847
Georgia	1,026,214	331,027	South Carolina	514,663	320,191
Hawaii	7,138	4,500	South Dakota	31,045	25,000
Idaho	298,226	132,155	Tennessee	331,940	123,215
Illinois	39,337	25,000	Texas	257,036	168,654
Indiana	82,894	57,885	Utah	43,256	25,000
Iowa	12,022	25,000	Vermont	64,789	25,000
Kentucky	125,519	100,308	Virginia	416,472	192,279
Louisiana	648,558	258,740	Washington	1,457,844	583,556
Maine	649,367	188,364	West Virginia	304,488	163,462
Maryland	233,212	99,423	Wisconsin	758,745	284,932
Massachusetts	273,044	90,931	Administration, inspection, prevention, and special services to States		455,000
Michigan	1,000,855	431,640			
Minnesota	464,764	238,736			
Mississippi	464,835	259,703	Reductions under provisions of sec. 1214 of fiscal year 1951 Appropriation Act		20,000
Missouri	433,335	192,413			
Montana	138,681	76,625			
Nevada	18,345	25,000			
New Hampshire	113,867	69,429			
New Jersey	264,279	105,717	Grand total	20,382,635	9,500,000
New Mexico	130,355	25,000			

Mr. WHITTEN. Proceed, Mr. McArdle.

Mr. MCARDLE. Last year I made two promises to the committee in connection with a request that we had at that time for an increase in two of these items. Before I go further I would like to report on what I did about those promises.

An increase of $500,000 was allowed by the committee for cooperation with the States in prevention of forest fires.

COOPERATION WITH STATES IN FOREST FIRE CONTROL

I said if that increase was allowed I would try to get at least 10,000,000 acres of land which was then unprotected added to the protected area. I do not have the final figures with me. They are

not in yet. As nearly as I can determine now we are going to get 12,000,000 acres.

I said also if that increase were allowed I thought the States would step up their own appropriations. I said I thought that it would be possible for them to increase their total appropriations to about 20 million dollars. We have the final figures in. It will be 20.3 million dollars.

TREE PLANTING ON PRIVATE LANDS

In connection with planting, in which item the committee made a rather substantial increase, $224,000, I said that all of the results would not be apparent the first year, but some results would. I want to report to the committee that while last year planting was proceeding at the rate of 103,000 acres, it has been increased by 130,000 acres, making a total of 233,000 acres. To follow up still further my promise to the committee last year, I think this year planting will be at least 400,000 acres.

Mr. Chairman, the committee knows these items about as well as I do. I do not think I need to take your time to explain something that you already know. Perhaps I can be of most help to you by answering questions.

Before you start asking questions, it might be well to report to you that we are in a stage now when markets for timber are good. The factors which on the one hand are favorable to promoting good forest management, persuading owners to handle their land better, also persuade them to cut out and sell their timber and ruin the forest resources that the country has to depend on.

I do not know when, since I have been in this work, it has looked quite so serious to me. If we had not done what we have done in the past few years, I think we would be worse off.

Mr. WHITTEN. Temptation to sell is rather great where a man has something he wishes to do, or where his labor is short, or any other thing happens, and they offer him a good price for the timber.

The man has such a small acreage it will not make him rich one way or another. If he is in on such a small scale that he thinks it will not amount to too much he feels that he might as well sell it. And if he handles it on a sustained yield basis it will not amount to much each year. That is the attitude of so many of these folks. It is not a sound attitude, but it creates a problem.

FOREST MANAGEMENT PROBLEMS ON PRIVATE LANDS

Mr. MCARDLE. It is the attitude that we encounter. You have put your finger on the thing that worries us. These small forest owners have three-fourths of our privately owned forest land. If they fail individually, it does not mean so much to each person involved. But put together it means a lot to the whole country.

Mr. WHITTEN. The prime purpose of all this forest business is to maintain a natural resource. You say three-fourths of the total resources are in private ownership as against the Federal; is that correct?

Mr. MCARDLE. Yes; that is correct.

Mr. WHITTEN. And you have a much harder job keeping them in private ownership because they have a right to do with it as they

please. You have a much harder job with them than you do with the national forests where you have absolute control?

Mr. McArdle. Yes. I should remind the committee—I know you are aware of this—the larger land owners are by and large doing a pretty good job. It is in their interest to do so. They have industries which are dependent on their timberlands. Our big problem, and toward which this group of items is directed, is with the smaller land owners, the ones who have 100 or 200 acres of forest. There are 4,000,000 of them. They have 75 percent of the private forest land. Our forestry problem is not with large land owners but small ones.

COMPREHENSIVE FIRE CONTROL PLAN

Mr. Granger mentioned earlier this morning very briefly the fact that the Federal and State agencies are joined together in making plans for quick action in case anything should be needed for a fire control emergency. A lot of that involves privately owned land and State owned lands which are handled under this group of items, some 427,000,000 acres. The State foresters who are participating in this work, the Interior Department, the Agriculture Department, are all joined together. The plans are already well along. I think the Civil Defense Administration is quite pleased with the speed with which this job has been accomplished. I could pick up that telephone and make eight calls and alert every State forester fire-fighting organization in this country within 1 hour.

Mr. Whitten. Do you feel you can sense a change in the public attitude with regard to forest fire control?

Mr. McArdle. I believe we can, Mr. Whitten, although it is difficult to tell because the forests are being used by so many more people. I made a quick check based on the number of visits to national forests, State forests and parks, on the issuance of hunting and fishing licenses, and on such other devices as I could think of. Apparently the people going into the woods have increased 170 percent this last year. There is a direct tie-in in the number of people in the woods and the number of fires. Fires have increased. How many more there might have been had we not conducted a vigorous fire-prevention campaign, I just do not know.

Mr. Whitten. Under this forest-fire control, through your system of cooperation with the State and frequently with the local government, you provide guards or watchers.

Mr. McArdle. Yes, sir.

Mr. Whitten. I believe you have covered the cooperation in forestry planting. I believe you have also covered the cooperating in forest management. What about cooperating in farm forestry extension? Do you have Federal employees who advise and counsel?

FORESTRY EXTENSION WORK

Mr. McArdle. There are very few Federal employees in that work; they are mostly State employees. It is handled cooperatively in the same way that the fire work is handled. The job of these men is to help advise and guide individual small landowners who perhaps have received a very attractive price for their timber and probably are going to strip it off entirely. With a little help, they will not do so.

Mr. WHITTEN. How is your workload in this work? Are you able to meet the problem, or are you having extreme difficulty in meeting the demand?

Mr. MCARDLE. We do not advertise it because they cannot meet all their requests now.

Mr. WHITTEN. The trouble about that kind of a system is—I do not think there is any way to do anything about it—that it is like soil conservation. If you have to stand by and let them come to you, the fellow who comes to you is the one who needs it the least. The fellow who needs it most is the man you never get to see. I can see that you can hardly have any other system.

Mr. MCARDLE. We try to use a certain amount of care so that those who most need help will get it first.

(Discussion off the record.)

Mr. MCARDLE. I should say we are constantly studying ways to do more for the money we get. In the past 2 or 3 years we have been able to devise ways and means of making these same men cover more territory. We are getting about a third more accomplishment now than we did when I last met with the committee. There is a limit to how far we can go on that. We are still trying.

Mr. WHITTEN. Are there any questions on those items?

(Discussion off the record.)

COOPERATIVE RANGE IMPROVEMENTS

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate:			
Annual definite		[1] $700,000	
Annual indefinite			$750,000
Total appropriation or estimate		700,000	750,000

[1] Supplemental in the amount of $1,351,150 included in H. Doc. No. 67 is being considered by the committee.

Obligations by activities

Construction and maintenance of range improvements:	
1951	$700,000
1952	750,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Full-time equivalent of all other positions		108	116
Average number of all employees		112	120
01 Personal services:			
Permanent positions		$20,000	$20,000
Part-time and temporary positions		330,000	351,920
Regular pay in excess of 52-week base			80
Total personal services		350,000	372,000
02 Travel		5,000	6,000
03 Transportation of things		6,000	6,000
04 Communication services		1,000	1,000
05 Rents and utility services		5,000	5,000
07 Other contractual services		12,000	14,000
08 Supplies and materials		281,000	305,700
09 Equipment		20,000	20,000
10 Lands and structures		15,000	15,000
15 Taxes and assessments		5,000	5,300
Total obligations		700,000	750,000

Mr. WHITTEN. We will turn then to "Cooperative range improvements." I will ask that page 397 be inserted in the record.

(The material referred to is as follows:)

Cooperative range improvements

Appropriation act, 1951	$700,000
Budget estimate, 1952	750,000
Increase (for construction and maintenance of range improvements)	+50,000

Project statement

Cooperative range improvements:	
1951 (estimated)	$700,000
Increase	+50,000
1952 (estimated)	750,000

Mr. WHITTEN. This is a new program, is it not? What is its basis, and where does this differ from other work that is being done which seems to be of a similar nature?

Mr. GRANGER. This is a new program which came in last year as far as this appropriation item is concerned.

It provides for using a portion of the grazing receipts, determined on a basis of 2 cents a month for sheep, 10 cents for cattle and other livestock, for grazing on the national forest land.

On the basis of that formula for 1952 the amount that would be due under that arrangement would be $750,000. More than half of that goes into the maintenance of existing improvements. The rest of it is available for construction.

Mr. WHITTEN. What is the limitation on the area to which these funds apply?

Mr. GRANGER. Each national forest.

Mr. WHITTEN. Anywhere you have a national forest these could be used?

Mr. GRANGER. On the national forest where cattle and sheep are grazed.

Mr. WHITTEN. This formula sets up all such funds as you may receive in any national forest where you charge grazing fees?

Mr. GRANGER. No. There is a very small amount available under the regular item for range work. That has been almost entirely wiped out by the decrease that we took there last year.

Mr. WHITTEN. I was thinking of the $85,000 which you requested for reseeding. I was wondering if this could not or does not cover that.

Mr. GRANGER. I will amend that statement. Under the language of this authorization here the money is available, among other things, for reseeding.

RANGE RESEEDING

Actually, we do not use any of this for that purpose because we have the other funds for reseeding. This is used for other types of range improvement.

Mr. WHITTEN. If you did not have any funds for reseeding and this money was set up by the Congress for reseeding, then you would use this for that purpose?

Mr. GRANGER. We would use part of this for reseeding if we did not have any other item.

Mr. WHITTEN. How many acres did you plant this year?

Mr. GRANGER. About 63,000 acres. It is not of this fund. It is the other fund.

Mr. WHITTEN. On what kind of other improvements did you spend $750,000? How do you maintain these people besides the regular force paid from another fund? How would you spend $375,000 maintaining these?

RANGE IMPROVEMENTS

Mr. GRANGER. We have an obligation for the maintenance of strictly range improvements of over $600,000 a year. That is what we should be spending on them to keep them in operating condition.

That consists mainly of fences and water developments. The purpose of those developments is to make it possible for us to manage the range to better advantage. If you have division fences on a given allotment, you can move the stock up gradually to the higher range so they do not arrive there until the range is ready for them.

If you have a water development at a certain location, you can get the stock to go over and utilize a range that would otherwise be unutilized and some place else would be over-utilized. The maintenance money goes into the physical structures.

Mr. WHITTEN. How did you handle the problem before the money was provided here last year; by direct appropriation?

Mr. GRANGER. We had a device by which we were using deposits made by the grazing permittees for this same purpose, which we had reason to believe was a legitimate method of obtaining funds.

It was subsequently held to be in effect use of receipts. So that was discontinued. This was enacted to take place of that. We had substantially the same amount of money available for several years past under that other arrangement.

Mr. WHITTEN. Do you not think when you spend this money it should be reflected to some extent in your fees; or do you think you can get this money back by the increased number of livestock that you can handle?

Mr. GRANGER. Actually, this is reflected, Mr. Chairman, in the fee because the fees are based, among other things, on the improvements on the range which make it more useful to the permittee, as well as easier for us to see that the range is managed to better advantage.

Mr. WHITTEN. I understood earlier that your fees were based on the market price of the cattle in the area.

GRAZING FEES ON NATIONAL FORESTS

Mr. GRANGER. From year to year it is based on that. The base fee, however, was fixed in part in relation to the improvement on the range.

Mr. WHITTEN. How much of this do you let the man in the area determine and how much is passed on by the Department here? Does the local ranger set the fee out there, or is it fixed on a general basis here?

You have stated to me the condition of the grazing lands and the number of fences and the ease with which he can move from the lower region on to the higher region to reach there at the proper time. All that is reflected in the fee. Who does that?

Mr. GRANGER. That was done through range appraisal a number of years ago covering all national forests on which the fees were fixed for each national forest or part thereof. They were brought clear up and approved by the Secretary of Agriculture.

Mr. WHITTEN. That raises a question. If it was fixed on the conditions as of that time, what reason do you have for the $750,000 for improving that?

Mr. GRANGER. The basic fee should be reconsidered at a suitable time to determine whether it——

Mr. WHITTEN. You had a survey made. You fixed your fee as of then. Now we are expending a lot of money on it. Is there any way to reflect that unless you have a new survey?

Mr. GRANGER. There is no adjustment for that at the present time. We feel whenever we do that it should be on a comprehensive basis and not patchwork.

Mr. WHITTEN. Are there any questions? My attention is called to the fact that you propose a language change from a specific to an indefinite appropriation. That would turn you loose completely, wouldn't it?

Mr. GRANGER. That would absolutely limit us. The thing has to be controlled by the number of animal-months of grazing during a given year. In the case of the proposed appropriation for 1952, the number of animal-months of actual use is taken as of the calendar year 1950, of which we have accurate records. So it places a complete ceiling on it.

Mr. WHITTEN. Offhand, I would figure for a few years we might keep it where it is, so we can have a little better view as to what money is being spent. It is so easy for these items to get lost in the shuffle, like the 2 million dollars on clean-up work in the areas where you are selling timber.

Mr. GRANGER. You appreciate that this formula that I spoke of is in the law itself.

Mr. WHITTEN. Are there any further questions?

PERMANENT APPROPRIATIONS

You might briefly discuss with us these small permanent appropriations on pages 402, 404, and 406 of the justifications.

We will insert those pages in the record.

(The material referred to is as follows:)

Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund

Appropriation Act, 1951, and base for 1952	$45,000
Budget estimate, 1952	45,000
Change	-------

Project statement

Payment to Minnesota (Cook, Lake, St. Louis Counties) from the national forests fund (appropriation or estimate):	
1950	$43,548
1951 (estimated)	45,000
1952 (estimated)	45,000

Payments to States and Territories from the national forests fund

Appropriation act, 1951	$8,372,747
Budget estimate, 1952	10,354,017
Increase (due to an estimated increase in the national forest receipts for the fiscal year 1951)	+1,981,270

Project statement

Payments to States and Territories from national forests fund (appropriation or estimate):	
1950	$7,753,275
1951 (estimated)	8,372,747
Increase	1,981,270
1952 (estimated)	10,354,017

Roads and trails for States, national forests fund

Appropriation act, 1951	$3,350,379
Budget estimate, 1952	4,141,607
Increase (due to an estimated increase in the national forest receipts for the fiscal year 1951)	+791,228

Project statement (on an available-funds basis)

Project	1950	1951 (estimated)	Increase	1952 (estimated)
1. Construction	$1,569,804	$3,050,379	+$791,228	$3,841,607
2. Maintenance	706,700	300,000		300,000
Subtotal	2,276,504	3,350,379	+791,228	4,141,607
Prior-year balance available in 1950	−1,930,486			
1950 balance available in 1951	+2,755,402	−2,755,402		
1951 balance available in 1952		+2,755,402		−2,755,402
1952 balance available in 1953				+2,755,402
Total appropriation or estimate	3,101,420	3,350,379	+791,228	4,141,607

PAYMENTS TO SCHOOL FUNDS, ARIZONA AND NEW MEXICO

Mr. GRANGER. The States of Arizona and New Mexico are reimbursed as to a share of the gross receipts from the national forests in those States which are proportionate to the areas of land granted to the States for school purposes within the national forests.

As I recall, this is an additional allowance for those particular States over the 25 percent.

Mr. WHITTEN. That is sufficient explanation. Turn to the next item.

PAYMENTS TO STATES, MINNESOTA

Mr. GRANGER. The next item is based upon a law enacted June 22, 1948, providing for payment from specific areas in the Superior National Forests, where acquisition for special purposes was authorized, and it is a part of the authorization that the counties should be paid three-fourths of 1 percent of the value of the land acquired under that act instead of the 25 percent of receipts.

Mr. WHITTEN. The State wants us to buy up the land, but under the act we continue to pay the State as long as we have it?

Mr. GRANGER. It is in lieu of the 25 percent.

Mr. WHITTEN. You are not going to have any receipts. You are buying it up to keep it from being cut.

Mr. GRANGER. That is true. It is an alternative means. That would add to the acreage there and would be eligible for recognition as part of the basis for the 25-percent fund.

Mr. WHITTEN. But the recognition would not cost you anything as long as you did not cut any timber? The State wants the Federal Government to buy it from them to keep it from being cut?

Mr. GRANGER. The counties share in the 25-percent fund on the basis of the acreage of National forest land in each county.

Mr. WHITTEN. Turn then to the next item.

PAYMENTS TO STATES AND TERRITORIES

Mr. GRANGER. This is the 25 percent of receipts that goes to the States for payment to the counties for road and school purposes.

Mr. WHITTEN. Do you have a breakdown showing the amount that was paid to the various States?

Mr. GRANGER. I do not seem to have that in here. We will supply it.

Mr. WHITTEN. By States. Do not bother about the counties. Briefly, discuss the item on page 406.

ROADS AND TRAILS FOR STATES, 10 PERCENT FUND

Mr. GRANGER. 406 shows the amount which is made available for the construction and maintenance of roads and trails from 10 percent of the annual receipts. It is based on a statute which was enacted in 1913. At the same time I believe provision was made for the 25 percent to be paid directly to the States. This was an additional recognition on the theory that these roads and trails would be of benefit to the local unit.

Mr. WHITTEN. Is this for construction of roads and trails through various Federal land units so as to connect up State roads?

Mr. GRANGER. It is not the same as the forest-highway fund but our policy has always been to try to use these funds for roads that would have more than the average value for local travel.

Mr. WHITTEN. Is there any basis on which this is paid to the various States, or is it left entirely to your discretion and judgment?

Mr. GRANGER. It is not paid to the States. It is expended by the Forest Service.

Mr. WHITTEN. Do you have any estimate as to how you are going to spend this? You come here and complain about the condition of the roads. As far as I know you did nothing about the two that I brought to your attention last year.

I had occasion to talk to you by telephone after it had been reported to me that you had not. Is this the money that is available for that type of thing, when you see fit to use it?

Mr. GRANGER. That is available for that sort of thing.

Mr. WHITTEN. I would like to have you give us a report where you spent the money in the present fiscal year and where you plan to spend it next year.

We are willing to give you some discretion, but not if you are going to ignore the problems that are presented to the committee.

Mr. GRANGER. I did not know that we had ignored any request.

Mr. WHITTEN. Off the record.
(Discussion off the record.)
Mr. WHITTEN. I wish to say that when folks in Congress come with these special problems and present them to the committee and we present them to you, we hope that you will see fit to give them consideration. I am not trying to show anybody special interest, but there are lots of ways to find out what is needed. It is up to us to present it to you, if we desire.
Mr. GRANGER. We are aware of that and would like to be responsive to that kind of request.
Mr. WHITTEN. You have certain funds with regard to research and marketing, do you not? It is $40,000.

RESEARCH AND MARKETING ACT FUNDS

Mr. KOTOK. That is for cooperative work on farm woodland marketing projects in the Northeast, Southeast, Central States, and it has been extended to the Southern States in 1951. These deal with such problems as helping the farmer and the extension groups that work with the farmers in better marketing practices.
Mr. WHITTEN. Are things so abnormal now that the answers you get now are going to be of little value under normal conditions?
Mr. KOTOK. It helps the farmer some. He is still confronted by someone coming in and buying at low prices.
Mr. WHITTEN. I thought Mr. McArdle's crowd took care of that
Mr. KOTOK. We supply them with the tools by which they work. Ours is the research. We give them the specifications, as the technical agency. We do not reach the farmer direct. We give those that do the working tools.
We do get very good cooperation from the State universities and the Extension Service and McArdle's organization.
This work covers a vast territory in the East. It is to help the small owner to get his material out at the best price. The problems are generally posed by the men who work with the farmer. That is how the projects are selected.
Mr. WHITTEN. You have a number of other funds here, control of forest pests, flood control, administrative expenses, section 392. Are those funds transferred to your Department from the other appropriations?
Mr. GRANGER. Yes.
Mr. WHITTEN. Will the justification be offered under the other title, or do you have any special information which you care to give? Will that be given by the agency that secures the appropriation?
Mr. LOVERIDGE. When the flood-control appropriation is reached in the hearings schedule representatives of the Forest Service will be present. As to the bottom one on page 408, Dr. McArdle can speak of that how. The work on naval stores is a going project. It has been going for several years.
Mr. MCARDLE. Off the record.
(Discussion off the record.)

BRUSH DISPOSAL

Mr. WHITTEN. In 1952 I notice you have the sum of $1,400,000 for brush disposal.

Mr. GRANGER. That is the money that is deposited by the timber purchaser, under which we dispose of the brush rather than have him dispose of it.

It is so much per thousand board feet of timber cut. It depends on the intensity of the brush disposal.

Mr. WHITTEN. I believe that is all we will have now on those items. We can let those items go over until we reached them in the appropriation in which they will appear.

TRUST FUND CONTRIBUTED BY COOPERATORS

"Trust fund contributed by cooperators." What is that?

Mr. LOVERIDGE. It is on the nine items listed under that heading there on page 412.

Mr. WHITTEN. "Construction and maintenance of roads and trails; construction and maintenance of other improvements." You have 5 million dollars there. You have spent it for these very worth-while projects, but it adds to the money you have to meet your over-all problem; is that not correct?

Mr. LOVERIDGE. It is for additional work we are doing, Mr. Chairman. We just spoke about the brush disposal. It is the job of the timber-sale operators to take care of their slash, but since their cutting is often scattered here and there, they find it more economical to pay the Forest Service to handle it on a group basis.

The same is true with the construction and maintenance of roads and trails. We get cooperation from counties and money to do maintenance work. They deposit the funds, and we do the work. That is true as to the construction and maintenance of other improvements.

Mr. WHITTEN. This is 1952. I go back to 1946. Have you any figures showing us what you had from this source in 1946?

Mr. LOVERIDGE. We can make it available, sir.

Mr. WHITTEN. I would like to have it. Apparently we do not have a true picture of the comparison. It may be essential to have that.

Mr. GRANGER. If I may add a word, Mr. Chairman. Take the item on page 412 under "Cooperative work." Item 3 there is "Protection of national forests and adjacent private land." That is not an added sum available to help protect the national forest. That is what we get paid for protecting the private land which is inside or adjacent to the national forest, which we include in our protective net. The fellow who owns the land pays us for it.

Mr. WHITTEN. The point I make is that to meet your obligation you have what we appropriate plus 5 million dollars here. That is to meet your over-all workload, which includes the work you have just mentioned.

Mr. GRANGER. A good deal is for extra work.

Mr. WHITTEN. For the work you do, whatever it might be, you have your appropriation plus this sum; is that correct?

Mr. GRANGER. It is, with that qualification. It is work that we would not be doing out of our appropriation, and its expenditure is restricted to projects and areas covered by the cooperative agreement.

Receipts From National Forests by States

Mr. Whitten. We keep talking about the receipts we get from forest-timber sales. I would like to have a statement of the total of your receipts for the last year and the "deducts" from the receipts. It is not only timber sales but the forest ranges.

(The information requested is given below:)

Receipts from national forests, by States, fiscal year 1950

State	Total receipts	Payments to Arizona, Minnesota, and New Mexico; amounts set aside for acquisition; amounts retained in suspense accounts	Payments to States and Territories (25 percent fund)[1]	Appropriated to Forest Service for roads and trails (10 percent fund)[1]	Appropriated to Forest Service for range improvements
Alabama	$458,187		$114,547	$45,819	
Alaska	99,568	$77,148	5,605	2,242	
Arizona	1,236,883	71,335	291,387	116,555	$113,393
Arkansas	1,995,033		498,758	199,503	1,114
California	3,968,437	77,838	972,650	389,060	50,487
Colorado	900,294		225,074	90,029	94,544
Florida	230,641		57,660	23,064	622
Georgia	260,698		65,174	26,070	
Idaho	1,981,125		495,281	198,113	79,390
Illinois	49,531		12,383	4,953	497
Indiana	5,942		1,486	594	30
Iowa	1,843		461	184	
Kentucky	147,204		36,801	14,720	
Louisiana	450,693		112,673	45,069	222
Maine	7,602		1,900	760	
Michigan	329,967		82,492	32,997	460
Minnesota	288,183	45,000	68,844	28,818	110
Mississippi	1,060,340		265,085	106,034	454
Missouri	106,073		26,518	10,607	2,285
Montana	827,568		206,892	82,757	56,667
Nebraska	47,575		11,894	4,758	6,675
Nevada	177,708	10,000	41,927	16,771	32,031
New Hampshire	95,672		23,918	9,567	
New Mexico	547,962	595	136,842	54,737	69,656
North Carolina	254,541		63,635	25,454	
North Dakota	163		41	16	9
Ohio	16,719		4,180	1,672	95
Oklahoma	222,405		55,601	22,240	23
Oregon	9,788,699	868,324	2,230,094	892,037	40,068
Pennsylvania	91,354		22,838	9,135	
Puerto Rico	14,787		3,697	1,479	
South Carolina	600,825		150,206	60,083	103
South Dakota	154,918		38,729	15,492	12,624
Tennessee	202,722		50,681	20,272	20
Texas	1,356,098		339,024	135,610	1,186
Utah	600,398	50,000	137,600	55,040	71,925
Vermont	95,586		23,897	9,559	34
Virginia	143,263		35,816	14,326	102
Washington	4,896,067		1,224,017	489,607	11,240
West Virginia	86,190		21,548	8,619	707
Wisconsin	264,665		66,166	26,467	78
Wyoming	475,957		118,989	47,596	53,149
Total	34,540,086	1,200,240	8,343,011	3,338,485	700,000
Cooperative work, Forest Service	6,190,950				
Grand total	40,731,036				

[1] Does not include adjustments of payments to States and allotments to Forest Service from receipts of earlier years which were paid or allotted in 1951.

Receipts from national forests, by States, fiscal year 1949

State	Total receipts	Payments to Arizona, Minnesota, and New Mexico; amounts set aside for acquisition; amounts retained in suspense accounts	Payments to States and Territories (25 percent fund) [1]	Appropriated to Forest Service for roads and trails (10 percent fund) [1]
Alabama	$359,953		$89,988	$35,995
Alaska	151,998	$132,310	4,922	1,969
Arizona	1,035,314	60,236	243,770	97,508
Arkansas	1,500,488		375,122	150,049
California	4,607,292	76,240	1,132,763	453,105
Colorado	870,026		217,507	87,003
Florida	262,403		65,601	26,240
Georgia	324,275		81,069	32,428
Idaho	1,672,787		418,197	167,279
Illinois	66,889		16,722	6,689
Indiana	8,989		2,247	899
Iowa	1,544		386	154
Kentucky	98,705		24,676	9,870
Louisiana	405,387		101,347	40,539
Maine	22,305		5,576	2,231
Michigan	261,072		65,268	26,107
Minnesota	274,133	43,548	68,258	27,413
Mississippi	789,785		197,446	78,979
Missouri	101,573		25,393	10,157
Montana	1,002,747		250,687	100,275
Nebraska	48,252		12,063	4,825
Nevada	150,630	10,000	35,157	14,063
New Hampshire	92,950		23,238	9,295
New Mexico	496,003	540	123,866	49,546
North Carolina	341,994		85,498	34,199
North Dakota	152		38	15
Ohio	10,509		2,627	1,051
Oklahoma	158,663		39,666	15,866
Oregon	8,962,406	783,631	2,044,694	817,878
Pennsylvania	57,815		14,454	5,781
Puerto Rico	13,966		3,491	1,397
South Carolina	398,118		99,530	39,812
South Dakota	227,139		56,785	22,714
Tennessee	159,903		39,976	15,990
Texas	1,051,925		262,981	105,192
Utah	499,250	50,000	112,313	44,925
Vermont	104,275		26,067	10,428
Virginia	150,452		37,613	15,045
Washington	4,429,931		1,107,483	442,993
West Virginia	117,677		29,419	11,768
Wisconsin	264,367		66,092	26,437
Wyoming	437,220		109,305	43,722
Total	31,991,262	1,156,505	7,719,301	3,087,831
Cooperative work, Forest Service	6,315,607			
Grand total	38,306,869			

[1] Does not include adjustments of payments to States and allotments to Forest Service from receipts of earlier years which were paid or allotted in 1950.

Receipts from national forests, by States, fiscal year 1948

State	Total receipts	Payments to Arizona and New Mexico; amounts set aside for acquisition; amounts retained in suspense accounts	Payments to States and Territories (25-percent fund) [1]	Appropriated to Forest Service for roads and trails (10-percent fund) [1]
Alabama	$264,702		$66,175	$26,470
Alaska	174,845	$130,594	11,063	4,425
Arizona	971,761	56,628	228,783	91,513
Arkansas	1,111,840		277,960	111,184
California	2,321,280	77,585	560,924	224,370
Colorado	860,474		215,119	86,047
Florida	241,987		60,497	24,199
Georgia	252,776		63,194	25,278
Idaho	1,311,132		327,783	131,113
Illinois	49,930		12,482	4,993
Indiana	4,688		1,172	469
Iowa	1,856		464	185
Kentucky	118,260		29,565	11,826
Louisiana	311,379		77,845	31,138
Maine	34,887		8,722	3,489
Michigan	370,522		92,630	37,052
Minnesota	309,093		77,273	30,909
Mississippi	807,330		201,832	80,733
Missouri	55,846		13,962	5,585
Montana	828,259		207,065	82,826
Nebraska	41,812		10,453	4,181
Nevada	147,192	10,000	34,298	13,719
New Hampshire	92,127		23,032	9,213
New Mexico	450,237	491	112,436	44,975
North Carolina	242,797		60,699	24,280
North Dakota	122		31	12
Ohio	10,340		2,585	1,034
Oklahoma	102,117		25,529	10,212
Oregon	7,374,575	589,229	1,696,337	678,535
Pennsylvania	83,583		20,896	8,358
Puerto Rico	16,028		4,007	1,603
South Carolina	350,958		87,740	35,096
South Dakota	283,033		70,758	28,303
Tennessee	81,226		20,306	8,122
Texas	413,613		103,403	41,361
Utah	459,187	50,000	102,297	40,919
Vermont	119,382		29,845	11,938
Virginia	163,881		40,970	16,388
Washington	3,338,879		834,720	333,888
West Virginia	101,868		25,467	10,187
Wisconsin	211,995		52,999	21,200
Wyoming	468,455		117,114	46,845
Total	24,956,254	914,527	6,010,432	2,404,173
Cooperative work, Forest Service	5,386,351			
Grand total	30,342,605			

[1] Does not include adjustments of payments to States and allotments to Forest Service from receipts of earlier years which were paid or allotted in 1949.

Receipts from national forests, by States, fiscal year 1947

State	Total receipts	Payments to Arizona and New Mexico; amounts set aside for acquisition; amounts retained in suspense accounts	Payments to States and Territories (25-percent fund) [1]	Appropriated to Forest Service for roads and trails (10-percent fund) [1]
Alabama	$134,308		$33,577	$13,431
Alaska	148,786		37,197	14,879
Arizona	834,544	$48,746	196,449	78,580
Arkansas	641,177		160,294	64,118
California	1,974,352	76,686	474,417	189,767
Colorado	730,004		182,501	73,000
Florida	209,089		52,272	20,909
Georgia	224,615		56,154	22,461
Idaho	1,216,522		304,131	121,652
Illinois	36,429		9,107	3,643
Indiana	4,402		1,100	440
Iowa	1,477		369	148
Kentucky	93,096		23,274	9,310
Louisiana	171,155		42,789	17,115
Maine	5,370		1,342	537
Michigan	246,957		61,739	24,696
Minnesota	313,222		78,306	31,322
Mississippi	410,422		102,606	41,042
Missouri	58,929		14,732	5,893
Montana	783,044		195,761	78,304
Nebraska	23,287		5,822	2,329
Nevada	111,324	10,000	25,331	10,132
New Hampshire	76,873		19,218	7,687
New Mexico	431,452	471	107,745	43,098
North Carolina	212,024		53,006	21,202
North Dakota	126		32	13
Ohio	7,881		1,970	788
Oklahoma	43,976		10,994	4,398
Oregon	4,094,269	338,787	938,871	375,548
Pennsylvania	103,839		25,960	10,384
Puerto Rico	16,861		4,215	1,686
South Carolina	265,596		66,399	26,560
South Dakota	289,427		72,357	28,943
Tennessee	123,954		30,988	12,395
Texas	411,348		102,837	41,135
Utah	417,148	50,000	91,787	36,715
Vermont	105,660		26,415	10,566
Virginia	140,268		35,067	14,027
Washington	2,951,410		737,853	295,141
West Virginia	111,062		27,765	11,106
Wisconsin	130,545		32,636	13,054
Wyoming	405,356		101,339	40,536
Total	18,711,586	524,690	4,546,724	1,818,690
Cooperative work, Forest Service	4,768,664			
Grand total	23,480,250			

[1] Does not include adjustments of payments to States and allotments to Forest Service from receipts of earlier years which were paid or allotted in 1948.

Receipts from national forests, by States, fiscal year 1946

State	Total receipts	Payments to Arizona and New Mexico; amounts set aside for acquisition; amounts retained in suspense accounts	Payments to States and Territories (25-percent fund) [1]	Appropriated to Forest Service for roads and trails (10-percent fund) [1]
Alabama	$117,795		$29,449	$11,780
Alaska	55,691		13,923	5,569
Arizona	667,591	$39,005	157,146	62,859
Arkansas	581,102		145,276	58,110
California	1,735,882	78,017	414,466	165,786
Colorado	586,995		146,749	58,700
Florida	182,527		45,631	18,253
Georgia	136,432		34,108	13,643
Idaho	839,310		209,828	83,931
Illinois	36,949		9,237	3,695
Indiana	2,485		621	249
Iowa	1,504		376	150
Kentucky	109,519		27,380	10,952
Louisiana	157,081		39,270	15,708
Maine	7,700		1,925	770
Michigan	225,031		56,258	22,503
Minnesota	241,482		60,370	24,148
Mississippi	919,474		229,869	91,947
Missouri	60,196		15,049	6,020
Montana	538,903		134,726	53,890
Nebraska	21,375		5,344	2,137
Nevada	100,270	10,000	22,567	9,027
New Hampshire	112,691		28,173	11,269
New Mexico	304,362	330	76,008	30,403
North Carolina	186,388		46,597	18,639
North Dakota	141		35	14
Ohio	28,861		7,215	2,886
Oklahoma	46,388		11,597	4,639
Oregon	2,489,101	251,979	559,280	223,712
Pennsylvania	96,685		24,171	9,669
Puerto Rico	25,832		6,458	2,583
South Carolina	171,806		42,951	17,181
South Dakota	189,286		47,322	18,929
Tennessee	136,687		34,172	13,669
Texas	439,715		109,929	43,971
Utah	303,487	50,000	63,372	25,349
Vermont	59,738		14,934	5,974
Virginia	121,075		30,269	12,107
Washington	1,592,355		398,089	159,236
West Virginia	90,201		22,550	9,020
Wisconsin	110,714		27,679	11,071
Wyoming	296,263		74,066	29,626
Total	14,127,070	429,330	3,424,435	1,369,774
Cooperative work, Forest Service	3,265,651			
Grand total	17,392,721			

[1] Does not include adjustments of payments to States and allotments to Forest Service from receipts of earlier years which were paid or allotted in 1947.

Statement of Obligations Under Allotments, Working Funds, and Trust Funds

Mr. Whitten. I also want to include in the record at this point pages 408 through 413.

(The pages referred to are as follows:)

Statement of obligations under allotments, working funds, and trust funds

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Research and Marketing Act of 1946 (Title II), Department of Agriculture (Forest Service): Research on markets and prices for farm forest products	$39,551	$44,000	$44,000
Control of forest pests, Department of Agriculture (Forest Service):			
For white pine blister rust control on national forests	1,901,416	1,805,500	1,804,500
For insect control on national forests	1,600,405	2,360,458	(1)
Total, control of forest pests	3,501,821	4,165,958	1,804,500
Flood control, Department of Agriculture (Forest Service): Preliminary examinations and surveys, and works of improvement on headwaters of streams, including upstream engineering, soil stabilization, and reforestation on selected watersheds authorized by various Flood Control Acts	1,747,046	1,799,800	1,855,500
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Department of Agriculture (Forest Service): Cooperation with Production and Marketing Administration in administration of the naval stores conservation program	19,695	21,304	21,304
Local administration, sec. 388, Agricultural Adjustment Act of 1938, Department of Agriculture (Forest Service): Cooperation with Production and Marketing Administration in administration of the naval stores conservation program	105,051	108,425	108,425
Emergency reconstruction and repair, Forest Service: For reconstruction and replacement of roads, trails, bridges, telephone lines, and other facilities and improvements in the national forests damaged or destroyed by floods	2,057,190	----------	----------
Acquisition of lands and construction of improvements, Coronado National Forest: For acquisition of lands and construction of improvements in the Coronado National Forest, Ariz. as authorized in Public Law 229, approved August 15, 1949	----------	16,177	----------
Expenses and refunds, brush disposal, Department of Agriculture: For removal of brush and other debris resulting from cutting operations (16 U. S. C. 490)	----------	88,944	1,400,000
Payments for sale of land and timber: Refunds of payments for sale of land and timber	2,854	----------	----------
Working funds, Agriculture (Forest Service) (general account) advanced from:			
National Military Establishment, Department of the Air Force: Research and consulting services on sandwich materials, aircraft cargo, floor panels, packaging and container problems, glues, plastics, core and bonding materials	142,678	171,899	----------
National Military Establishment, Department of the Army:			
Restoration of damaged national forest lands at Camp Livingston, and Camp Claiborne, La	50,968	----------	----------
Research on glues for plywood and other military items, packaging and container problems, prefabricated housing, soil trafficability and fire damage in forested areas, survey of forest products requirements for military purposes	80,366	530,581	----------
Total, Department of the Army	131,334	530,581	----------
National Military Establishment, Department of the Navy: Research on plywood, glues, laminated plastics, sandwich construction, core and bonding materials, packaging and container materials	115,746	93,785	----------
National Advisory Committee on Aeronautics: Studies of effects of high and low temperatures on the properties of adhesives, and of the strength and bonding of cellular cores for sandwich construction	22,849	3,858	----------

[1] Allotments under this appropriation for 1952 have not been determined.

Statement of obligations under allotments, working funds, and trust funds—Continued

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Working funds, Agriculture—Continued			
Department of the Interior:			
Protection of Department of the Interior lands within national forests and for smoke jumper service on National Park Service lands	$65,818	$9,014	
Rehabilitation or relocation of national forest resources and improvements damaged or destroyed by activities of Department of the Interior agencies	7,297	19,597	
Total, Department of the Interior	73,115	28,611	
Department of Commerce, Public Roads Administration: Investigation of applications, and construction, maintenance, and improvement of access roads to sources of raw materials	1,744	6,349	
Federal Power Commission: Investigation and supervision of Federal Power Commission projects	2,052	1,444	
Housing and Home Finance Agency: Program of investigations and research on building materials and systems	22,292	152,732	
National Security Resources Board: To cover cost of conducting a forest products materials survey	798	6,702	
Production and Marketing Administration: Research on development of packages for dried and shell eggs	4,495	5	
Rural Electrification Administration: For technical assistance on power-line pole problems	15,435	9,832	
Soil Conservation Service:			
For a snow survey in Montana	5,000		
For production of tree-planting stock	4,886	314	
Total, Soil Conservation Service	9,886	314	
Total, working funds, Agriculture, Forest Service, general account	542,424	1,006,112	
Working funds, Agriculture, general (Forest Service), advances from:			
National Military Establishment, Department of the Army:			
For training Japanese agricultural leaders in the field of agriculture		600	
To cover the cost of providing data in connection with a comprehensive survey of the Arkansas-White-Red River Basin		[2] 15,000	
National Military Establishment, Department of the Navy: For mapping strategic areas	60,887	64,113	
Department of State: For training 6 Koreans in forestry	186	258	
Total, working fund, Agriculture, general	61,073	79,971	
Working funds, Agriculture, Forest Service, special fund:			
Advanced from Interior Department:			
For installation of radio communication equipment	3,080	620	
For relocation of telephone lines	2,747	253	
For snow investigations, Frazer experimental area	2,430	77	
For changing communication facilities between the Swan Valley Ranger Station and the Alpine Guard Station	869	1,631	
Total, Interior Department	9,126	2,581	
Cooperative work, Forest Service:			
Trust fund contributed by cooperators for the accomplishment of certain projects shown below, which are of mutual benefit to the Forest Service and to such cooperators:			
1. Construction and maintenance of roads and trails	245,179	260,000	$260,000
2. Construction and maintenance of other improvements	1,029,319	340,000	340,000
3. Protection of national forests and adjacent private land	1,158,991	1,400,000	1,400,000
4. Sale-area betterment and scaling	1,655,877	2,333,000	2,333,000
5. Forest investigations	404,052	401,000	401,000
6. Administration	124,453	90,000	90,000
7. Reforestation	38,099	36,000	36,000
8. Brush disposal	1,275,028	1,311,056	
9. Refunds to cooperators	138,200	140,000	140,000
Total, cooperative work	6,069,198	6,311,056	5,000,000

[2] Allotment as of Dec. 31, 1950.

Statement of obligations under allotments, working funds, and trust funds—Continued

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Forest Service, State rural rehabilitation Corporation funds (trust fund): For administration of the El Pueblo grazing project and the Lobato Grant projects in New Mexico for the Farmers' Home Administration	$9,959	$14,485	$13,651
Public Roads Administration, Department of Commerce (transfer to Forest Service): For carrying out Forest Service responsibilities in the forest highway program	62,703	85,000	85,000
Expenses, Economic Cooperation Administration (allotment to Agriculture) (Forest Service): For expenses incident to foreign trainee program		[3] 4,920	
Expenses of defense production, Executive Office of the President (allotment to Agriculture) (Forest Service): For carrying out the provisions of the Defense Production Act of 1950		[3] 35,000	
Total, obligations under allotments, working funds, and trust funds	14,227,691	13,783,733	10,332,380

[3] Allotment as of Dec. 31, 1950.

Mr. WHITTEN. That will be all, gentlemen. Thank you for appearing before the committee and discussing your problems with us.

TUESDAY, FEBRUARY 20, 1951.

PRODUCTION AND MARKETING ADMINISTRATION

WITNESSES

RALPH S. TRIGG, ADMINISTRATOR
ROBERT W. HERDER, ASSISTANT ADMINISTRATOR FOR PROGRAM COORDINATION
H. LAURENCE MANWARING, DEPUTY ASSISTANT ADMINISTRATOR FOR PRODUCTION
A. V. McCORMACK, DIRECTOR, AGRICULTURAL CONSERVATION PROGRAMS BRANCH
R. P. BEACH, CHIEF, OFFICE OF BUDGET
RALPH S. ROBERTS, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. WHITTEN. In connection with the Production and Marketing Administration, I would like to insert pages 1, 2, and 3 of volume II of the justifications. I would also like for a statement of the consolidated account to be inserted at this point.

(The material referred to are as follows:)

PURPOSE STATEMENT

The Production and Marketing Administration was established by the Secretary of Agriculture in August 1945. It consolidated into one organization the action programs of the Department affecting production and marketing of agricultural commodities. Its function is to administer the Department's production and marketing programs, including agricultural conservation; acreage allotments and marketing quotas; price support through loans, purchases and other means; sugar program; foreign and other supply; marketing research, service and regulatory activities, including grading, standardization, inspection and market news, and marketing agreements, and orders; the school-lunch program; development of new and expanded markets and uses, encouragement of exports; surplus disposal and other programs.

The Secretary's memorandum No. 1270, delegates to PMA, under provisions of the Defense Production Act of 1950, certain functions with respect to food, farm equipment, and fertilizer. PMA has the authority for (1) food production and distribution programs, including developing requirements, determining priorities

and allocations of available supplies and obtaining basic production required; (2) domestic utilization of farm equipment and fertilizer through requirements, allocations, and distribution controls in order to accomplish required agricultural food production, distribution and conservation.

The Washington organization of the Production and Marketing Administration consists of an Administrator, a Deputy Administrator and Assistant Administrators for Production, Marketing, Commodity Operations, and Program Coordination, 9 commodity branches which plan and administer or supervise the administration of all PMA programs affecting commodities, and 13 functional and staff branches or offices which are responsible for specific programs or administrative functions affecting all commodities. These branches and offices are as follows:

Commodity branches:
- Cotton
- Dairy
- Fats and oils
- Fruit and vegetable
- Grain
- Livestock
- Poultry
- Sugar
- Tobacco

Functional and staff branches and offices:
- Agricultural Conservation Programs Branch
- Food Distribution Branch
- Marketing and Facilities Research Branch
- Transportation and Warehousing Branch
- Fiscal Branch
- Information Branch
- Office of Administrative Services
- Office of Audit
- Office of Budget
- Office of Compliance and Investigation
- Office of Personnel Management
- Office of Materials and Facilities
- Office of Requirements and Allocations

The field organization of PMA consists of PMA State offices, PMA insular offices in Hawaii and Puerto Rico, PMA county and community committees, PMA commodity offices and branch field and area offices.

The Production and Marketing Administration has been delegated authority by the Board of Directors of Commodity Credit Corporation to administer the programs of the Corporation. The Administrator of PMA is the President of the Commodity Credit Corporation and a member of the Board of Directors, and the Deputy Administrator is Vice President. The directors of the branches of PMA and the directors of PMA commodity offices are contracting officers of the corporation.

Summary of appropriations, 1951 and estimates, 1952

[Figures in brackets [ ] not included in totals]

Item	Total anticipated available, 1951 [1]	Budget estimates, 1952	Increase (+) or decrease (−)
Commodity Credit Corporation: (administrative expenses from Corporation funds)	[2] [$20,200,000]	[$20,200,000]	
Conservation and use of agricultural land resources	256,500,000	285,000,000	+$28,500,000
Acreage allotments and marketing quotas	25,800,000	24,000,000	−1,800,000
Sugar Act program	63,750,000	73,300,000	+9,550,000
National school lunch program	83,500,000	83,500,000	
Removal of surplus agricultural commodities (30 percent of customs receipts) [3]	111,192,249	150,000,000	+38,807,751
Marketing services	10,828,000	11,396,000	+568,000
	551,570,249	627,196,000	+75,625,751
Deduct: Permanent appropriation available: Removal of surplus agricultural commodities (sec. 32 funds)	111,192,249	150,000,000	−38,807,751
Total, direct annual appropriation or estimate	440,378,000	477,196,000	+36,818,000

[1] Adjusted for comparability with appropriation structure proposed in the 1952 budget estimates.
[2] Includes anticipated supplemental in fiscal year 1951 of $3,850,000.
[3] Excludes carry-over in fiscal year 1951 of $46,991,669, and carry-over in fiscal year 1952 of $51,354,976, and includes transfer to International Wheat Agreement of $76,808,000.

Comparison administrative funds obligated through the consolidated account to total administrative funds obligated, fiscal years 1950–52

	Fiscal year 1950 (actual obligations)					Fiscal year 1951 (estimated obligations)		
	Through consolidated account	Sec. 388 account	Sec. 392 account	Direct allotments	Total	Through consolidated account	Sec. 388 account	Sec. 392 account
Appropriations to PMA:								
Conservation and use of agricultural land resources	$516,479	$20,854,000	$4,475,960		25,846,439	$818,330	$20,272,600	$4,159,070
Acreage allotments and marketing quotas	1,355,905	24,903,450	3,611,419	$238,000	30,108,774	1,236,366	20,500,000	3,763,634
Administration of Sugar Act	357,835	385,000	729,260	13,349	1,485,444	425,000	345,000	730,000
Removal of surplus agricultural commodities	3,095,110		503,290	259,357	3,857,757	3,500,000		412,342
National school lunch	1,336,200		86,620	106,645	1,529,465	1,455,653		121,347
Marketing services	753,916			9,640,524	10,394,440	815,368		
Administrative expenses, CCC	15,283,121				15,283,121	16,350,000		
Subtotal, appropriations	22,698,566	46,142,450	9,406,549	10,257,875	88,505,440	24,600,717	41,117,600	9,186,393
Agricultural supply program	5,709,147				5,709,147	2,500,000		
Allotments to PMA:								
Research and Marketing Act of 1946	145,444			2,453,967	2,599,411	130,000		
Subtotal, allotments	145,444			2,453,967	2,599,411	130,000		
Trust funds:								
Expenses and refunds, inspection and grading farm products	281,537			5,759,594	6,041,131	364,000		
Grading agricultural commodities	1,110			664,215	665,325			
Miscellaneous contributed funds				169,198	169,198			
Subtotal, trust funds	282,647			6,593,007	6,875,654	364,000		
Reimbursements for services performed:								
Section 392	93,349			3,218,893	3,312,242	70,000		
Section 388	10,113			25,252,670	25,262,783	11,400		
National School Lunch Act				75	75			
Marketing services				1,767,969	1,767,969			
Commodity Credit Corporation:								
International wheat	129,036				129,036	250,000		
Ocean transportation	50,920				50,920	52,000		
Miscellaneous	32,742				32,742	30,000		
Eradication of foot-and-mouth disease	140,033				140,033	100,000		
Subtotal, reimbursements	456,193			30,239,607	30,695,800	513,400		

Other funds:								
Perishable agricultural commodities	14,000			283,910	297,910	16,600		
Supply and distribution of farm labor	17,647			57,001	74,648			
Economic cooperation (surplus determination)	150,194				150,194	144,500		
Inspection for Department of Army				231,657	231,657			
Subtotal, other funds	181,841			572,568	754,409	161,100		
Total, all funds, PMA	29,473,838	46,142,450	9,406,549	50,117,024	135,139,861	28,269,217	41,117,600	9,186,393

	Fiscal year 1951 (estimated obligations)		Fiscal year 1952 (estimated obligations)				
	Direct allotments	Total	Through consolidated account	Sec. 388 account	Sec. 392 account	Direct allotments	Total
Appropriations to PMA:							
Conservation and use of agricultural land resources		$25,250,000	$815,980	$20,272,600	$4,161,420		$25,250,000
Acreage allotments and marketing quotas	$300,000	25,800,000	1,238,716	18,805,000	3,661,284	$295,000	24,000,000
Administration of Sugar Act		1,500,000	425,000	345,000	730,000		1,500,000
Removal of surplus agricultural commodities	404,158	4,316,500	3,500,000		412,342	87,658	4,000,000
National school lunch	48,000	1,625,000	1,455,653		121,347	48,000	1,625,000
Marketing services	10,329,132	11,144,500	825,124			10,570,876	11,396,000
Administrative expenses, CCC		16,350,000	20,200,000				20,200,000
Subtotal, appropriations	11,081,290	85,986,000	28,460,473	39,422,600	9,086,393	11,001,534	87,971,000
Agricultural supply program		2,500,000	2,000,000				2,000,000
Allotments to PMA:							
Research and Marketing Act of 1946	2,403,000	2,533,000	130,000			2,265,500	2,395,500
Flood control	114,000	114,000				102,300	102,300
Subtotal, allotments	2,517,000	2,647,000	130,000			2,367,800	2,497,800
Trust funds:							
Expenses and refunds, inspection and grading farm products	5,749,335	6,113,335	350,000			5,750,000	6,100,000
Grading agricultural commodities	35,000	35,000				30,000	30,000
Miscellaneous contributed funds	100,000	100,000				90,000	90,000
Subtotal, trust funds	5,884,335	6,248,335	350,000			5,870,000	6,220,000
Reimbursements for services performed:							
Section 392	3,580,752	3,650,752	70,000			3,747,752	3,817,752
Section 388	7,488,600	7,500,000	11,400			7,488,600	7,500,000
National School Lunch Act							
Marketing services	1,147,852	1,147,852				1,417,852	1,417,852

Comparison administrative funds obligated through the consolidated account to total administrative funds obligated, fiscal years 1950–52—Con.

	Fiscal year 1951 (estimated obligations)		Fiscal year 1952 (estimated obligations)				
	Direct allotments	Total	Through consolidated account	Sec. 388 account	Sec. 392 account	Direct allotments	Total
Commodity Credit Corporation:							
International wheat agreement		$250,000	$250,000				$250,000
Ocean transportation		52,000	52,000				52,000
Miscellaneous		30,000	30,000				30,000
Eradication of foot-and-mouth disease		100,000					
Subtotal, reimbursements	$12,217,204	12,730,604	413,400			$12,654,204	13,067,604
Other funds:							
Perishable agricultural commodities act fund	358,400	375,000	16,600			358,400	375,000
Supply and distribution of farm labor							
Economic cooperation (surplus determination)		144,500	137,000				137,000
Inspection for Department of Army	308,751	308,751					
Subtotal, other funds	667,151	828,251	153,600			358,400	512,000
Total, all funds, PMA	32,366,980	110,940,190	31,507,473	$39,422,600	$9,086,393	32,251,938	112,268,404

Source: Office of Budget (PMA), February 20, 1951 (revised).

Comparison of PMA funds obligated through the consolidated account to total funds obligated, fiscal years 1950, 1951, and 1952

	Fiscal year 1950 (actual obligations)			Fiscal year 1951 (estimated obligations)			Fiscal year 1952 (estimated obligations)		
	Through consolidated account	Other than consolidated account	Total	Through consolidated account	Other than consolidated account	Total	Through consolidated account	Other than consolidated account	Total
Annual appropriations to PMA:									
Conservation and use of agricultural land resources	$516,479	$260,514,682	$261,031,161	$818,330	$281,424,528	$282,242,858	$815,980	$284,184,020	$285,000,000
Acreage allotments and marketing quotas	1,355,905	28,773,869	30,129,774	1,236,366	24,563,634	[3]25,800,000	1,238,716	22,761,284	[2] 24,000,000
Administration of Sugar Act	357,835	59,642,165	60,000,000	425,000	63,325,000	63,750,000	425,000	72,875,000	73,300,000
Removal of surplus agricultural commodities	3,095,110	75,522,030	78,617,140	3,500,000	103,328,942	106,828,942	3,500,000	159,288,000	162,788,000
National School Lunch Act	1,336,200	82,116,722	83,452,922	1,455,653	82,044,347	83,500,000	1,455,653	82,044,347	83,500,000

Marketing services	753,916	9,640,524	10,394,440	815,368	10,329,132	11,144,500	825,124	10,570,876	11,396,000
Administrative expenses, Commodity Credit Corporation	15,283,121		15,283,121	16,350,000		[1]16,350,000	20,200,000		20,200,000
Total, annual appropriations to PMA	22,698,566	516,209,992	538,908,558	24,600,717	565,015,583	589,616,300	28,460,473	631,723,527	660,184,000
Allotments to PMA:									
Research and Marketing Act of 1946	145,444	2,453,967	2,599,411	130,000	2,403,000	2,533,000	130,000	2,265,500	2,395,500
Flood control					114,000	114,000		102,300	102,300
Total allotments	145,444	2,453,967	2,599,411	130,000	2,517,000	2,647,000	130,000	2,367,800	2,497,800
Trust funds:									
Expenses and refunds, inspection and grading of farm products	281,537	5,759,594	6,041,131	364,000	5,749,335	6,113,335	350,000	5,750,000	6,100,000
Grading of agricultural commodities for CCC	1,110	664,215	665,325		35,000	35,000		30,000	30,000
Indemnity fund county assns		807	807		500	500		500	500
Perishable Agricultural Commodities Act fund	14,000	283,910	297,910	16,600	358,400	375,000	16,600	358,400	375,000
Payments for agricultural adjustment		20	20						
Undistributed cotton price adjustment payments		2,866	2,866		126	126		100	100
Return of excess deposits for reproduction of photographs, mosaics, and maps					46,205	46,205			
Miscellaneous contributed funds		169,198	169,198		100,000	100,000		90,000	90,000
Total trust funds	296,647	6,880,610	7,177,257	380,600	6,289,566	6,670,166	366,600	6,229,000	6,595,600
Reimbursement for services performed:									
Conservation and use of agricultural land resources		258,663	258,663		325,000	325,000		325,000	325,000
Sec. 392	93,349	3,218,893	3,312,242	70,000	3,580,752	3,650,752	70,000	3,747,752	3,817,752
Sec. 388	10,113	25,252,670	25,262,783	11,400	7,488,600	7,500,000	11,400	7,488,600	7,500,000
National School Lunch Act		75	75						
Marketing services		1,767,969	1,767,969		1,147,852	1,147,852		1,417,852	1,417,852
Commodity Credit Corporation:									
International wheat agreement	129,036		129,036	250,000		250,000	250,000		250,000
Ocean transportation	50,920		50,920	52,000		52,000	52,000		52,000
Miscellaneous	32,742		32,742	30,000		30,000	30,000		30,000
Eradication of foot-and-mouth disease	140,033		140,033	100,000		100,000			
Total reimbursements	456,193	30,498,270	30,954,463	513,400	12,542,204	13,055,604	413,400	12,979,204	13,392,604
Other funds:									
Indexing and preparation of aerial photograph for mosaics and charting purposes		114,143	114,143		150,270	150,270			
Supply and distribution of farm labor	17,647	57,001	74,648						
Agricultural supply program	5,709,147		5,709,147	2,500,000		2,500,000	2,000,000		2,000,000
Economic cooperation (surplus determination)	150,194		150,194	144,500		144,500	137,000		137,000
Inspection for Department of Army		231,657	231,657		308,751	308,751			
Total, other funds	5,876,988	402,801	6,279,789	2,644,500	459,021	3,103,521	2,137,000		2,137,000
Grand total	29,473,838	556,445,640	585,919,478	28,269,217	586,823,374	615,092,591	31,507,473	653,299,531	684,807,004

[1] Excludes proposed supplemental of $3,850,000.
[2] To be adjusted to conform with budget amendment.

Mr. WHITTEN. Mr. Trigg, we will be glad to have your general statement in connection with operations of the PMA.

Mr. TRIGG. If it is agreeable to the committee, I will make a general statement about the Production and Marketing Administration, Mr. Chairman.

Mr. WHITTEN. The Production and Marketing Administration is the name of a group of employees which carry on the activities of the Department which include the operations of the Commodity Credit Corporation and the conservation and land-use program. The same staff handles both, the only difference being that when they work on activities of the Commodity Credit Corporation they are paid from funds of that organization, whereas when they are doing other work they are paid out of the appropriated item for the Production and Marketing Administration.

COMMODITY CREDIT CORPORATION

Now, you have briefly discussed the Commodity Credit Corporation's operation heretofore. I would like for you to show what volume of commodities you have handled during the year in connection with the Commodity Credit Corporation, what you had at the start of the year, what has run through your hands, and what the totals are today.

Mr. TRIGG. Mr. Chairman, as you have indicated, the Production and Marketing Administration is the agency in the Department of Agriculture that was organized in August 1945, and its function, of course, is to administer the programs of the Department affecting production and marketing of agricultural commodities, including the agricultural conservation program, the acreage-allotment and marketing-quota programs, price support through loans, purchases, and other means; the sugar program, the foreign and other supply programs; marketing research, service and regulatory activities, including grading, standardization, inspection, and market news, and marketing agreements and orders; the school-lunch program; development of new and expanded markets and uses, encouragement of exports; surplus disposal, and other programs.

I might say, Mr. Chairman, that this organization is under the direction of the Administrator, the Deputy Administrator, and four Assistant Administrators and its operations are carried out by a number of commodity branches.

The policy of the Commodity Credit Corporation is established by a Board of Directors which is made up of seven members, the chairman being the Secretary of Agriculture, and the other members being the Under Secretary and the Assistant Secretary, the Administrator of the Production and Marketing Administration and the Deputy Administrator and two Assistant Administrators. Within the policy established in program dockets the programs of the Corporation are carried out through the personnel and facilities of the Production and Marketing Administration.

Now, would you like me to insert in the record, Mr. Chairman, the volume of operations insofar as Commodity Credit is concerned, or do you care for me to go through it at this time and discuss the loans, beginning inventory, purchases, collateral acquired, and so forth? I have two tables reflecting these transactions.

Mr. WHITTEN. I think we would like for it to be in the record.

(Material referred to is as follows:)

Loan transactions fiscal year 1951 through Dec. 31, 1950

PRICE SUPPORT LOANS ON COMMODITIES

Commodity	Amount of loans						
	Loans outstanding as of June 30, 1950	New loans made	Repayments	Loans canceled by acquisition or pooling of collateral	Transferred to accounts receivable	Charged off	Loans outstanding as of Dec. 31, 1950
Basic commodities:							
Corn	$554,120,766.13	$15,133,239.16	$200,496,976.95	$117,647,298.23	$646,857.15	$227,315.68	$250,235,557.28
Cotton, Upland	121,037,810.05	1,432,915.70	106,147,238.52	[1] 14,414,537.72	585,463.93	1,089.17	1,322,396.41
Peanuts	3,464,115.46	53,695,101.36	9,645,703.07				47,513,513.75
Rice	1,409,833.15	794,553.64	403,227.07	773,940.42	109,869.35		917,349.95
Tobacco	125,522,453.00	62,929,918.72	59,709,883.70			14,995.90	128,727,492.12
Wheat	65,115,226.16	326,023,101.08	20,514,209.60	27,448,809.70	732,363.46	85,170.31	342,357,774.17
Total	870,670,203.95	460,008,829.66	396,917,238.91	160,284,586.07	2,074,553.89	328,571.06	771,074,083.68
Designated nonbasic commodities: Potatoes, Irish	562,481.16	−4,890.05	449,670.36		107,907.37	13.38	
Other nonbasic commodities:							
Barley	9,150,135.38	29,732,938.27	3,336,285.45	4,720,106.00	142,602.02	14,842.78	30,669,237.40
Beans, dry edible	6,664,454.14	7,305,800.37	463,909.82	5,656,440.26	1,031.21	48.63	7,842,824.59
Cotton, American-Egyptian	866,772.69	1,346.05	706,364.05	[1] 161,754.69			
Cottonseed	23,455.19		19,059.31	109.19	133.36		4,153.33
Flaxseed	8,624,798.95	1,458,813.58	564,459.99	6,060,476.59	205,904.73	10,497.55	3,242,273.67
Grain sorghum	7,561,658.09	31,619,352.25	160,641.21	6,290,326.64	155,757.09	158.19	32,574,127.21
Naval stores: Rosin		6,678.18	5,181.78				1,496.40
Oats	4,124,794.16	7,257,047.46	1,932,959.93	429,419.37	19,880.27	4,629.57	8,994,952.48
Peas, dry edible	107,875.71		2,259.25	102,903.75	287.35	87.36	2,338.00
Rye	598,565.62	1,350,805.82	92,682.52	389,420.04	2,876.80	262.06	1,464,130.02
Seeds, hay and pasture	12,168.00	1,463,137.99	11,823.17	12,167.27	.73		1,451,314.82
Seeds, winter cover crop		9,171,572.66	3,435.20	284,308.00			8,883,829.46
Soybeans	1,217,774.57	14,782,221.78	2,200,702.71	−55.34	6,982.86	557.16	13,791,808.96
Total	38,952,452.50	104,149,714.41	9,505,764.39	24,107,376.46	535,456.42	31,083.30	108,922,486.34
Total price support loans	910,185,137.61	564,153,654.02	406,872,673.66	184,391,962.53	2,717,917.68	359,667.74	879,996,570.02

STORAGE FACILITY AND EQUIPMENT LOANS

Storage facilities:							
Secured by chattel mortgages	$14,427,781.55	$5,320,476.37	$685,249.58		$151.23		$16,062,857.11
Secured by mortgages on real estate	1,097,176.58	735,628.69	127,964.68				1,704,840.59
Subtotal	12,524,958.13	6,056,105.06	813,214.26		151.23		17,767,697.70
Mobile drying equipment	6,727.84	45,567.67					52,295.51
Total storage facility and equipment loans	12,531,685.97	6,101,672.73	813,214.26		151.23		17,819,993.21

LOAN TO SECRETARY OF AGRICULTURE

Loan to Secretary of Agriculture	$15,000,000.00		$15,000,000.00				

See footnotes at end of table, p. 515.

Loan transactions fiscal year 1951 through Dec. 31, 1950—Continued

PRICE SUPPORT LOANS ON COMMODITIES—Continued

Commodity	Quantity of commodity involved								Number of loans	
	Unit of measure	Loans outstanding as of June 30, 1950	New loans made	Repayments	Loans canceled by acquisition or pooling of collateral	Transferred to accounts receivable	Charged off	Loans outstanding as of Dec. 31, 1950	New loans made	Loans outstanding as of Dec. 31, 1950
Basic commodities:										
Corn	Bushels	410, 587, 163	9, 868, 494	149, 122, 698	85, 889, 224	817, 624	79, 085	184, 547, 026	8, 216	154, 041
Cotton, Upland	Bales	833, 218	6, 450	746, 091	[1] 83, 604	3, 846		6, 127	3, 434	3, 290
Peanuts	Pounds	34, 579, 474	547, 602, 991	101, 027, 777				481, 154, 688	68	68
Rice	Hundredweight	335, 168	141, 102	90, 528	198, 561	8, 114		179, 067	92	238
Tobacco	Pounds	311, 133, 828	105, 473, 633	133, 450, 380			6, 725	[2] 283, 150, 356	13	56
Wheat	Bushels	33, 541, 304	163, 547, 350	10, 610, 815	13, 891, 367	438, 928	35, 101	172, 112, 413	162, 552	170, 184
Designated nonbasic commodities: Potatoes, Irish.	Hundredweight	840, 078	−9, 158	645, 530		185, 379	11		−3	
Other nonbasic commodities:										
Barley	Bushels	8, 575, 487	26, 556, 179	3, 119, 361	4, 263, 178	147, 904	14, 473	27, 586, 750	12, 326	13, 504
Beans, dry edible	Hundredweight	924, 150	1, 061, 676	71, 037	775, 779	1, 365	11	1, 137, 624	3, 299	3, 571
Cotton, American-Egyptian	Bales	3, 024		2, 398	[1] 626					
Cottonseed	Tons	474		385	18	13		84		7
Flaxseed	Bushels	2, 299, 071	595, 338	162, 293	1, 605, 784	57, 469	2, 282	1, 066, 581	1, 332	2, 349
Grain sorghums	Hundredweight	3, 637, 953	16, 656, 281	77, 165	3, 019, 769	86, 884		17, 110, 416	21, 006	23, 214
Naval stores: Rosin	Pounds		139, 590	107, 108				32, 482		
Oats	Bushels	6, 260, 966	10, 713, 908	2, 943, 185	645, 157	29, 820	7, 477	13, 349, 235	10, 206	12, 562
Peas, dry edible	Hundredweight	37, 070		829	35, 450	95	28	668		2
Rye	Bushels	487, 110	1, 118, 993	77, 660	317, 123	2, 335	210	1, 208, 775	1, 834	1, 977
Seeds, hay and pasture	Pounds	101, 400	4, 598, 309	61, 939	101, 400			4, 536, 370	848	842
Seeds, winter cover crop	do		195, 480, 578	76, 508	6, 290, 000			189, 114, 070	3, 681	3, 620
Soybeans	Bushels	554, 427	7, 171, 167	1, 073, 379	203	3, 389	110	6, 648, 919	11, 451	10, 639

STORAGE FACILITY AND EQUIPMENT LOANS

Storage facilities:										
Secured by chattel mortgages	Bushels		19,885,669						5,638	18,829
Secured by mortgages on real estate	do		2,207,942						110	251
Subtotal	do		[3] 22,093,611						5,748	19,080
Mobile drying equipment									34	39
Total storage facility and equipment loans									5,782	19,119

LOANS TO SECRETARY OF AGRICULTURE

Loan to Secretary of Agriculture										

NOTE.—Does not include certain approved but unprocessed loans. (See schedule 9.)

[1] Pooled for the account of producers.
[2] Composed of 289,782 pounds of green weight, 96,950,601 pounds of estimated dry weight, and 185,909,973 pounds of actual dry weight.
[3] Represents bushel capacity of storage facilities.

Inventory transactions, by program and commodity, fiscal year 1951 through Dec. 31, 1950

Program and commodity	Value								
	Beginning inventory June 30, 1950	Purchases	Collateral acquired	Carrying charges	Transfers and exchanges (net)	Ending inventory Dec. 31, 1950	Cost of commodities disposed of		Sales
							Donations [1]	Cost of goods sold	
PRICE-SUPPORT PROGRAM									
Basic commodities:									
Corn	$505,864,067.75	$3,705,365.68	$131,524,381.22	$22,296,300.77	[2] $2,290,217.50	$617,137,922.56		$48,542,410.36	$42,564,224.85
Cotton, upland	580,236,924.49		14,496,876.72	3,369,309.62	17,951.26	17,433,460.19		580,687,601.90	673,713,853.46
Peanuts, farmers' stock	607,671.95	13,806,813.37		173,254.25		3,244,896.96		11,342,842.61	13,676,879.47
Peanuts, shelled		17,847,906.50		[4] 42.26				17,847,864.24	11,723,838.32
Rice	3,019,321.12	9,830,566.47	902,123.14	166,835.33	[3] [4] 2,785.26	2,525,416.81		11,390,643.99	11,539,027.09
Tobacco	762,607.99			6,284.93		656,909.70		111,983.22	118,796.15
Wheat	760,444,401.29	2,556,537.67	30,482,285.82	42,498,645.71	[3] [4] 462,267.14	653,009,423.90		182,510,179.45	165,811,002.61
Total basic commodities	1,850,934,994.59	47,747,189.69	177,405,666.90	68,510,588.35	1,843,116.36	1,294,008,030.12		852,433,525.77	919,147,621.95
Designated nonbasic commodities:									
Milk and butterfat:									
Butter	99,452,285.29	26,442,475.83		2,007,013.11		65,943,636.81	$25,915,738.91	36,042,398.51	36,391,823.94
Cheese	19,706,623.64	21,075,222.81		1,495,876.74		26,323,152.78	7,678,085.53	8,276,484.88	4,660,677.26
Milk, dried	45,718,460.06	14,583,783.49		2,548,533.16		37,904,544.34	5,406,441.08	19,539,791.29	6,561,145.44
Honey		117,115.08		3,873.73		34,566.02		86,422.79	86,422.79
Potato starch	596,745.09			3,710.20		356,410.77		244,044.52	188,809.83
Potatoes, Irish		17,372,310.42		320,467.07		36,393.77	2,160,330.93	15,496,052.79	947,415.52
Tung oil		379,743.70		3,463.33		382,230.13		976.90	
Wool	402,074.64	13,977.27		32,933.69		18,639.94		430,345.66	554,277.13
Total designated nonbasic commodities	165,876,188.72	79,984,628.60		6,415,871.03		130,999,574.56	41,160,596.45	80,116,517.34	49,390,571.91
Other nonbasic commodities:									
Barley	46,434,104.16	421,949.30	5,283,579.38	2,040,561.21	[3] 60,367.16	41,476,912.04		12,763,649.17	11,159,845.80
Beans, dry edible	79,689,881.33	1,201,109.03	5,980,541.59	2,542,921.63		71,199,499.50		18,214,954.08	14,271,980.31
Cotton, American-Egyptian	168,644.99		161,985.58	5,680.72		201,395.01		134,916.28	144,014.95
Cottonseed and products:									
Cottonseed	11,004,765.75	993.31	111.14	3,814,836.84	[4] 14,093,957.46	248,553.70		478,195.88	290,385.29
Cottonseed oil, crude	986,853.62	104,143.65		175,218.51	7,530,517.94	4,338.20		8,792,395.52	9,958,699.64
Cottonseed oil, refined	1,569,457.72	3,718,536.05		[4] 297.38		230,065.45		5,057,630.94	5,885,089.15
Cottonseed meal	4,363,109.78			168,191.04	5,061,189.84	70,762.32		9,521,728.34	9,418,307.00
Cotton linters	3,885,351.65			415,266.71	1,502,249.68	2,172,135.48		3,630,732.56	5,318,119.62

Eggs, dried	103,290,365.96	24,159,838.95		1,491,205.79		107,124,815.83	10,914,862.96	10,901,731.91	1,453,397.37
Flaxseed	69,766,981.03	2,785,576.89	6,610,551.03	2,158,526.87		31,097,894.29		50,223,741.53	34,026,214.43
Fruit, dehydrated or dried:									
Prunes				(1) 57,445.45				(1) 57,445.45	1,881.11
Raisins				5,812.34				5,812.34	(1) 2,383.15
Grain sorghum	104,699,277.02	632,564.09	6,728,206.94	12,741,097.01	(2) 302,247.97	68,319,179.94		56,784,213.09	39,516,220.37
Linseed oil	134,845,843.38	25,318,843.26		914,414.24		149,414,243.97		11,664,856.91	6,729,263.87
Naval stores:									
Rosin	29,119,720.35		13,730.44	116,278.04		13,428,814.31		15,820,914.52	13,191,694.72
Turpentine	1,217,419.45			16,995.94		358,637.84		875,777.55	802,797.01
Oats	10,743,925.27	78,715.48	461,160.82	922,829.56		11,076,739.44		1,129,891.69	1,048,167.45
Peas, dry edible	3,191,320.56	4,659.89	109,650.25	342,534.30		2,207,052.58		1,441,112.42	1,100,928.91
Rye	778,069.96	200,624.88	424,416.49	254,831.89		573,176.96		1,084,766.26	982,684.74
Seeds, hay, and pasture	766,006.10	36,001.69	7,776.00	18,056.09		543,505.09		284,234.79	297,465.35
Seeds, winter cover crop	439,849.83	9,613.73	284,308.00	42,530.48		775,565.14		736.90	738.42
Soybeans	163,271.79	25,102.53	2,316.95	86,400.42		13,553.95		263,537.74	162,693.70
Sweetpotatoes				756.98				756.98	55.47
Turkeys		2,412,251.94		28,806.72				2,441,058.66	2,404,377.74
Total other nonbasic commodities	607,124,219.70	61,110,524.67	26,068,334.61	28,246,010.50	362,615.13	500,536,841.04	10,914,862.96	211,460,000.61	158,162,638.37
Exchange commodities:									
Agricultural commodities					5,025,114.91			5,025,114.91	5,025,114.91
Strategic and critical materials					3,278,000.00			3,278,000.00	3,278,000.00
Total exchange commodities					8,303,114.91			8,303,114.91	8,303,114.91
Total price-support program	2,623,935,403.01	188,842,342.96	203,474,001.51	103,172,469.88	10,508,846.40	1,925,544,445.72	52,075,459.41	1,152,313,158.63	1,135,003,947.14
SUPPLY PROGRAM									
Processed and packaged commodities:									
Flour and related products	724,747.41	2,266,057.74		14,974.34		930,095.67		2,075,683.82	2,096,465.68
Lard and other animal fats	1,245,206.61	3,141,254.82		70,541.09		1,431,095.46		3,025,907.06	3,052,061.16
Milk:									
Dried		8,556.00		(1) 25.82				8,530.18	8,816.21
Fluid		1,123,088.90		27,165.49				1,150,254.39	1,158,757.44
Seeds:									
Field	107.44	75,347.47		(1) 457.58		3,632.42		71,364.91	77,312.37
Foundation	310.31	23,428.75		1.06		23,531.17		208.95	179.69
Tree		766.75		2.07		415.57		353.25	539.49
Vegetable		272.99		5.42		113.32		165.09	179.84
Vegetable oils		144,518.70		642.52		144,518.70		642.52	18.56
Miscellaneous				1,937.93				1,937.93	81.58
Total processed and packaged commodities	1,970,371.77	6,783,292.12		114,786.52		2,533,402.31		6,335,048.10	6,394,412.02

See footnotes at end of table, p. 521.

Inventory transactions, by program and commodity, fiscal year 1951 through Dec. 31, 1950—Continued

Program and commodity	Value								
	Beginning inventory June 30, 1950	Purchases	Collateral acquired	Carrying charges	Transfers and exchanges (net)	Ending inventory Dec. 31, 1950	Cost of commodities disposed of		Sales
							Donations [1]	Cost of goods sold	
SUPPLY PROGRAM—continued									
Cottonseed, American-Egyptian		$28,816.23				$28,816.23			
Feed for Government facilities		60,769.96						$60,769.96	$60,769.96
Grains:									
Rye	$87,813.46	643,518.79		$63,560.97		368,677.79		426,215.43	420,209.09
Wheat		‹ 4,921.83		1,038.61				‹ 3,883.22	514.26
Mexican meat, canned	16,484,884.64			282,578.43		14,305,241.09		2,462,221.98	886,574.91
Oils, vegetable: Soybean	674,899.82	840,626.50		91,007.78		19,438.77		1,587,095.33	1,630,714.46
Soybeans		2,246,396.00				909,728.11		1,336,667.89	1,339,295.49
Sugar, Puerto Rican raw		693,827.51		22,739.88				716,567.39	717,228.47
Total supply program	19,217,969.69	11,292,325.28		575,712.19		18,165,304.30		12,920,702.86	11,449,718.66
FOREIGN PURCHASE PROGRAM									
Mexican beef, frozen		2,334,687.22						2,334,687.22	2,335,821.17
Sugar, purchased for export		95,274.00						95,274.00	95,559.82
Total foreign purchase program		2,429,961.22						2,429,961.22	2,431,380.99
Total, all programs	2,643,153,372.70	202,564,629.46	$203,474,001.51	103,748,182.07	$10,508,846.40	1,943,709,750.02	$52,075,459.41	1,167,663,822.71	1,148,885,046.79

Program and commodity	Value—Continued		Quantity							
	Net gain or loss on disposition [4]	Reserve for losses on inventories (memorandum only)	Unit of measure	Beginning inventory June 30, 1950	Purchases	Collateral acquired	Transfers and exchanges (net) [2]	Ending inventory Dec. 31, 1950	Donations [1]	Sales
PRICE-SUPPORT PROGRAM										
Basic commodities:										
Corn	(4) $5,978,185.51	$9,549,000	Bushels	332,459,548	2,773,306	91,101,150	1,052,268	398,911,925		28,474,347
Cotton, upland	[3] 27,028,639.76		Bales	3,413,635		83,599	(4) 212	97,505		3,399,517
Peanuts, farmers' stock	(4) 1,374,888.40	543,000	Pounds	5,667,564	166,085,120		(4) 495,604	31,437,754		139,819,326
Peanuts, shelled	(4) 6,124,025.92		do		110,803,328		(4) 7			110,803,321
Rice	148,383.10		Hundredweight	689,962	1,939,678	232,568	(4) 29	273,759		2,588,420
Tobacco	6,812.93	55,000	Pounds	2,615,262				2,263,699		351,563
Wheat	(4) 16,699,176.84	47,563,000	Bushels	327,654,159	1,210,659	14,618,061	(4) 992,419	271,011,606		71,478,854
Total basic commodities	(4) 242,664.08	57,710,000								
Designated nonbasic commodities:										
Milk and butterfat:										
Butter	(4) 25,566,313.48	17,339,000	Pounds	161,649,213	44,894,998		(4) 94,090	106,240,604	41,666,843	58,542,674
Cheese	(4) 11,293,893.15	13,250,000	do	58,902,053	64,970,561		(4) 37,093	78,009,930	22,095,084	23,730,507
Milk, dried	(4) 18,385,086.93	26,874,000	do	362,931,819	120,343,169		(4) 326,219	290,183,860	40,889,768	151,875,141
Honey			do		931,740			243,960		687,780
Potato starch	(4) 55,234.69	111,000	do	9,712,682			(4) 213	5,518,606		4,193,863
Potatoes, Irish	(4) 16,708,968.20	34,000	Hundredweight		17,454,124		(4) 2,041	45,141	1,285,367	16,121,575
Tung oil	(4) 976.90		Pounds		1,575,700		(4) 4,020	1,571,680		
Wool	123,931.47		do	454,752	4,293		1,971	32,535		428,481
Total designated nonbasic commodities	(4) 71,886,541.88	57,608,000								
Other nonbasic commodities:										
Barley	[1] 1,603,803.37	4,228,000	Bushels	31,497,215	365,870	4,642,509	(4) 44,407	27,734,411		8,726,776
Beans, dry edible	(4) 3,942,973.77	14,014,000	Hundredweight	9,687,102	153,209	778,365	(4) 3,224	8,673,529		1,941,923
Cotton, American-Egyptian	9,097.77		Bales	582		626		785		423
Cottonseed and products:										
Cottonseed	(4) 187,810.59		Tons	211,178	43	5	(4) [5] 196,397	5,270		9,559
Cottonseed oil, crude	1,166,304.12		Pounds	7,229,760	534,070		(4) 58,429,337	35,605		66,157,562
Cottonseed oil, refined	827,458.21		do	10,071,372	24,477,993			1,470,799		33,078,566
Cottonseed meal	(4) 103,421.34		do	145,308,076			(4) 177,410,361	2,782,313		319,936,124
Cotton linters	1,687,387.06		do	60,818,158			(4) 20,205,113	29,456,012		51,567,259

See footnotes at end of table, p. 521.

Inventory transactions, by program and commodity, fiscal year 1951, through Dec. 31, 1950—Continued

Program and commodity	Value—Continued		Quantity								
	Net gain or loss on disposition [4]	Reserve for losses on inventories (memorandum only)	Unit of measure	Beginning inventory June 30, 1950	Purchases	Collateral acquired	Transfers and exchanges (net) [2]	Ending inventory Dec. 31, 1950	Donations [1]	Sales
PRICE-SUPPORT PROGRAM—con.										
Other nonbasic commodities—Con.										
Eggs, dried	[4] $20,363,197.50	$79,775,000	Pounds	93,918,525	25,176,841		16,909	102,567,538	8,373,752	8,170,985
Flaxseed	[4] 16,197,527.10	2,883,000	Bushels	13,373,583	747,447	1,724,602	[4] 108,166	7,186,252		8,551,214
Fruit, dehydrated or dried:										
Prunes	59,326.56		Pounds							
Raisins	[4] 8,195.49		do							
Grain sorghum	[4] 17,267,992.72	14,472,000	Hundredweight	41,274,224	308,932	3,204,396	[4] 91,267	24,998,382		19,697,903
Linseed oil	[4] 4,935,593.04	73,491,000	Pounds	471,667,163	92,376,791		[4] 174,391	523,348,558		40,521,005
Naval stores:										
Rosin	[4] 2,629,219.80		do	384,685,817		204,732		189,066,254		195,824,295
Turpentine	[4] 72,980.54		Gallons	2,586,765				824,564		1,762,201
Oats	[4] 81,724.24	1,494,000	Bushels	12,108,620	130,457	683,780	[4] 6,797	11,615,499		1,300,561
Peas, dry edible	[4] 340,183.51	41,000	Hundredweight	912,259	1,643	37,576	[4] 37	576,614		374,827
Rye	[4] 102,081.52		Bushels	514,624	164,614	344,204	[4] 4,350	438,698		580,394
Seeds, hay and pasture	13,130.56	59,000	Pounds	5,760,500	103,409	64,800	[4] 82	3,636,886		2,291,741
Seeds, winter cover crop	1.52	198,000	do	7,364,572	213,000	6,290,000	[4] 12,560	13,852,612		2,400
Soybeans	[4] 100,844.04		Bushels	53,017	14,902	[4] 53	[4] 5,307	3,981		58,578
Sweetpotatoes	[4] 701.51		Hundredweight							
Turkeys	[4] 36,680.92		Pounds		5,784,014		[4] 1,869			5,782,145
Total other nonbasic commodities.	[4] 64,212,225.20	190,655,000								
Exchange commodities:										
Agricultural commodities										
Strategic and critical materials										
Total exchange commodities										
Total price-support program	[4] 136,341,431.16	305,973,000								
SUPPLY PROGRAM										
Processed and packaged commodities:										
Flour and related products	20,781.86		Pounds	15,147,400	49,268,400		[4] 8,977	20,060,000		44,346,823
Lard and other animal fats	26,154.10		do	10,202,157	19,395,739		39,817	8,523,229		21,114,484

Lard and other animal fats	26,154.10		do		10,202,157	19,395,739		39,817	8,523,229	21,114,484
Milk:										
Dried	286.03		do		22,080					22,080
Fluid	8,503.05		do		11,004,056			(4) 311		11,003,745
Seeds:										
Field	5,947.46		do	1,252	341,029				10,000	332,281
Foundation	(4) 29.26		do	3,672	16,905			(4) 2,921	17,202	454
Tree	186.24		do		200				73	127
Vegetable	14.75		Ounces		182,970			64	8,202	174,832
Vegetable oils	(4) 623.96		Pounds		672,180				672,180	
Miscellaneous	(4) 1,856.35		do					45		45
Total processed and packaged commodities	59,363.92									
Cottonseed, American-Egyptian			Tons		200				200	
Feed for Government facilities			do		920					920
Grains:										
Rye	(4) 6,006.34		Bushels	57,147	397,524				212,242	242,429
Wheat	4,397.48		do		1,744			(4) 1,533		211
Mexican meat, canned	(9)		Pounds	68,891,113				(4) 387,944	59,189,598	9,313,571
Oils, vegetable: Soybean	43,619.13		do	5,460,532	5,679,257			(4) 89,740	131,927	10,918,122
Soybeans	2,627.60		Bushels		875,506				315,506	560,000
Sugar, Puerto Rican raw	661.08		Pounds		13,666,935					13,666,935
Total supply program	104,662.87									
FOREIGN PURCHASE PROGRAM										
Mexican beef, frozen	1,133.95		Pounds		13,938,431					13,938,431
Sugar, purchased for export	285.82		do		1,422,000					1,422,000
Total foreign purchase program	1,419.77									
Total, all programs	(4) 136,235,348.52	305,973,000								

[1] Donations under sec. 416, Agricultural Act of 1949, Public Law 439, and sec. 3, Public Law 471, 81st Cong.

[2] Includes the net change in quantity of inventory exchanged or in process of exchange for which the related value is footnoted 3. Also includes the net quantity adjustments due to over and under-deliveries and loss and damage claims with vendors, carriers, and warehouses for which the related value is included in cost of sales. Processing conversion gains or losses in quantity included in this column carry no value adjustments.

[3] Represents the net change in value of inventory exchanged or in process of exchange. On completed exchanges, the change in value represents differentials due to location and quality.

[4] Denotes decrease or loss.

[5] Excludes $65,997,611.80 transferred to reserve for producers' equity in cotton pools.

[6] Includes 80 bales of pickings and samples which represent acquisitions incident to grading and sampling.

[7] Excludes $959,148.46 transferred to the reserve for producers' equity, peanuts—types in short supply (Public Law 471, 81st Cong).

[8] Includes 198,351 tons of cottonseed processed to 58,446,125 pounds of crude cottonseed oil, 177,410,281 pounds of cottonseed meal, and 20,210,873 pounds of cotton linters.

[9] Losses recoverable from appropriated funds, $1,575,647.07.

NOTE.—Inventories of commodities as shown in this report include commodities committed to sale or otherwise obligated. Thus, the quantities shown above do not represent the quantities available for sale or other disposition.

PERSONNEL PROGRAM

Mr. WHITTEN. The other day we discussed the amount of personnel that would be needed for the coming year for Commodity Credit. With regard to the acreage allotments and things of that nature, are they paid out of these consolidated funds or from separate appropriations?

Mr. TRIGG. Of course we get an appropriation for acreage-allotment and marketing-quota work, and then it goes through a consolidated account.

Mr. BEACH. Through the consolidated accounts established under sections 388 and 392 of the Agricultural Adjustment Act of 1938.

ORGANIZATION OF PRODUCTION AND MARKETING ADMINISTRATION

Mr. WHITTEN. It has been rather difficult, not only with your agency but with others, to keep in touch with what is going on and just how it is handled. So with that in mind, we asked last year that certain investigators be assigned to study the Production and Marketing Administration and its over-all structure. I would like to read into the record some of the findings which they made.

First, the organization structure of PMA both in the national office and in the field is tremendously complicated, due to the heterogeneous nature of the program administered by the agencies which were collected together in establishing PMA. Agencies which had previously exercised a great degree of independence were merged and placed under common direction in the formation of PMA. The work of amalgamating the existing organization structures into an integrated structure that would provide for the most efficacious direction and control in the new administration has provoked opposition in those agencies where the organization structure was considered adequate for the particular program that was being conducted at the time. Considerable progress, however, has been made in improving the organization structure from within PMA, but such progress has been slow and compromising in many respects.

The organization structure is established insofar as possible on a commodity basis, which complicates the problem of relating expenditures made on a program basis.

That is the question I asked you the other day. While you may, as you have shown on the chart, set up so much for school lunch work, so much for marketing agreements, and so much for defense production work, yet it is just a matter of estimating how much time is spent on those various programs; is that not so?

Mr. TRIGG. Most of the time, Mr. Chairman. Of course, a man might spend full time in a particular branch on school-lunch work and it is not, of course, hard to estimate the amount of time; it is full time. The same would be true with respect to other examples that are shown there. In some instances, it is true a man has to, at the end of the day or the week, decide that he has spent so much time on this or that or the other—where his operations are varied—and he is employed in a capacity that he will be concerned with all of it. But by and large, we have found that this time report works very well and a person is able to estimate the amount of time, put it down, accurately as far as that is concerned, but I am not arguing with your premise because some estimation is involved. But we try to police it in such a manner that it will reduce error to the very minimum.

Mr. WHITTEN (reading):

The appropriation and activity classification in the budget cross organizational lines as a general rule, since most branches receive funds from more than one

appropriation. This situation results in an extremely complicated and elaborate financial operation, involving the use of three administrative clearing accounts and extensive cost-distribution system, and makes it virtually impossible to devise a system of accounts which will support both the operating and budget patterns.

What I was pointing out is that the temptation is rather great, where the funds are short in one place and maybe a little full in another, to let that influence the reports on time spent on each program.

We have been advised by the secretary of certain consolidations and efforts to get the soil conservation services into one office, which I think would be a great improvement. But now here is what these investigators say about your own agency of PMA.

There is a great amount of overlapping of jurisdictional boundaries in the field. In addition, there are a number of cities where a single branch has two or more separate offices within a city. Also, within the same city there may be field offices of other PMA branches and PMA commodity and area offices. Certain PMA commodity offices utilize some of the services rendered by area management offices while others do not. Even the area management offices have complicated geographical boundaries because of the overlapping of geographical areas of the field offices serviced by such area management offices.

Mr. TRIGG. May I comment briefly on that, sir? That is true, but there is a determined effort and we are making a drive now to reduce to a very minimum the cases where one branch might have two offices in a particular town. But let me point out that the operations of our organization are such that we are operating in the stockyards; we are operating in the fresh-fruit markets, and we are operating all over a town where there is produce being marketed. In other words, it is the most important thing for that person to be not away from that market uptown some place where we might have another office, or another group of people that belong to another branch of PMA. It is important that he be right down there where about all the office he would have would be a telephone and a desk in a corner of the produce market or something like that. They are separated. I do not mean to say that they are not. But we have found that in order to do the job properly, the people have to be down where the work is. We are endeavoring in every way possible to reduce that to a minimum.

Mr. WHITTEN. I can see where the men who work out in the field need to be where the work is. But it strikes me that you are just duplicating the expense when you have separate supervisory personnel and offices to handle the paper work and the correspondence.

Mr. TRIGG. We have made a great deal of progress in bringing those together, and our Livestock Branch did a particularly good job in bringing their offices out in the field together to reduce expenses last year, Mr. Chairman.

Mr. WHITTEN. You had this in Washington. How do you handle in from Washington on out? Do you have area offices through which everything goes or do you have area offices through which some programs operate and another type of set-up for another? What kind of organizational structure have you got in the field?

Mr. TRIGG. Because of the varied programs of PMA, Mr. Chairman, we have different types of organizations. For instance, we have milk-marketing orders. In other words, there is an area of a particular milkshed that is administered by a milk-market administrator who reports in through our Dairy Branch to the Administrator of PMA. He has no relationship with the rest of the field organization other than in a cooperating way—they do not have any direct relation-

ship with each other. We have the PMA commodity offices, which handle primarily the work of the Commodity Credit Corporation. That is in connection with the price-support programs, loans and so on, particularly the fiscal work and the transportation and warehousing work. We have nine of those out in the field.

Mr. WHITTEN. What I am trying to say is that it looks like, from these reports of these investigators, and it is the same criticism that is made of other bureaus, that there are too many layers of supervision between work in the field and the office here in Washington, and a complete lack of uniformity in organization among your programs. It strikes me that it is far less economical for you to have a different set-up all the way from Washington down to the workingman with no relation between programs for the various commodities. If you have a complete Department of Agriculture for each commodity, certainly you can see the amount of duplication and overlapping and double expense that you are bound to have.

Mr. TRIGG. Mr. Chairman, that is what we do not have, if I understand what you are saying. We certainly do not have that, and I think we have made more progress in the type of organization we are running in PMA in eliminating these layers of supervision throughout the field, than most any other organization I can think of. For instance, the 48 State PMA offices, the chairmen of the State committees, report directly to Washington. They report to the Administrator in their day-to-day operations through one of the Assistant Administrators. They do not have to go through three or four layers to get into here; neither do the commodity offices. They report here. Coordination is taken care of by the top staff of the PMA, and thus there is coordination in the relationship between the Washington office and the field offices, our commodity offices, and the State offices——

Mr. WHITTEN. Here is a statement:

> Also, within the same city there may be field offices of other PMA branches and PMA commodity and area offices. Certain PMA commodity offices utilize some of the services rendered by area management offices while others do not. Even the area management offices have complicated geographical boundaries because of the overlapping of geographical areas of the field offices served by such area management offices.

Mr. TRIGG. That is true, Mr. Chairman. There are certain PMA commodity offices that utilize the services of the area management offices and while they utilize them, others do not; but may I say this: that the services of those area management people are utilized to the fullest by the States and the area offices. We feel we are making very good utilization of those offices out there. The people that are in them are doing an important part of the whole job of welding this organization together, in reducing it in size, and still keeping up its efficiency.

May I point out, Mr. Chairman, when the organization was put together it had some 20,000 people in it. In August of 1945, that was. And by the elimination of the overlapping functions, in the combination and centralization of common services to those organizations, it has been reduced down to 12,000. Frankly and sincerely it is my belief that to do what is being done and serve all of those offices and personnel in any other type of organization would require more personnel than what we now have.

Mr. WHITTEN. The whole purpose of the investigation was to try to find out on an unbiased basis, for the consideration of you folks in management along with the committee, those places where the work could be changed.

Mr. TRIGG. I appreciate having these recommendations, and we have taken them into consideration in removing——

Mr. WHITTEN. My attention is called to the fact that when you took this over, you had about 20,000 employees. Actually, the old War Food Administration was what PMA fell heir to.

Mr. TRIGG. To the most part of it, that is right, sir.

Mr. WHITTEN. Our investigation of the War Food Administration during the war indicated one of the poorest pictures that I know of in the way of administration. The investigation by this committee disclosed many cases where clerks at $2,000 a year had been jumped up to $6,000 and $8,000 and other evidence of poor planning and poor coordination and extravagance in spending and upgrading of personnel. That investigation was made by this committee. I do not mean that you have continued those practices, but I do mean that according to our own investigation you have a ripe field for improvement.

Mr. TRIGG. I agree with you, Mr. Chairman, and I think that improvements have been made as a result of these things.

Mr. WHITTEN. In connection with the other investigation into the Department, the investigators had this to say:

> Discussion of the Production and Marketing Administration at the field level: During the conduct of this inquiry primary emphasis was given to an examination of the Agricultural Conservation Program Branch, the commodity adjustment program and regulatory activities of the Production and Marketing Administration. To a limited extent, however, other functional areas of PMA were reviewed and certain selected field stations visited.
>
> It appears that the present organizational structure is unduly complex and cumbersome and that coordination between organizational elements is poor. For example, an examination of a current organization chart of PMA reveals no functional line of authority between the nine commodity branches which are shown as reporting directly to the Administrator and the Assistant Administrators for Production, Marketing, Commodity Operations and Management.
>
> Much criticism was heard in the field concerning the PMA commodity and adjustment program as currently administered. The dean of the College of Agriculture of one land-grant college, stated "the most serious deficiencies are that the United States Department of Agriculture has no long-range land-use program and the lack of any terminal point in the present commodity adjustment programs." Farmers also complained bitterly concerning the lack of coordination in the administration of agricultural price support programs. They state that these programs are administered on a commodity basis rather than by treating farms as separate economic units, and that due to this fact the farmer who cooperates with PMA is frequently penalized. A typical example cited is that of a farmer who receives an acreage allotment of 250 acres of corn and 100 acres of soybeans, and who also agrees with ACP to perform certain conservation practices for which he will receive payment from PMA. This farmer then overplants his corn acreage by 200 acres. Although this makes him ineligible to receive price support on his corn, nevertheless, he will receive price support on his soybeans crop and the ACP payments. In addition, the 450 acres of corn which he overplanted will be used as a historical base in determining his acreage allotment for corn in the following year. This increased base in effect reduces the corn-acreage allotments of all farmers who complied with the PMA acreage allotments in that county for the following year.

Is that a correct illustration?

Mr. TRIGG. Mr. Chairman, of course that goes toward policy. It is a policy matter as to whether those are permitted or not per-

mitted. As to the way it is administered, that is something else. If it is a policy of the Board of Directors of the Commodity Credit Corporation or the people who are responsible for setting policy on all these things, if that is the policy that is laid down, then of course that is the way the people out there operate; that is true.

Mr. WHITTEN. We have no allotments on these commodities for next year, but I do hope that a note will be made of that situation. I do not mean to hold you responsible. I just recite that as one of the things that was reported by these people who investigated.

Mr. TRIGG. Let me say again, Mr. Chairman, if I may, that I sincerely appreciate the reports that your committee has made, and we intend to take every word of them into consideration in trying to improve the management of this organization. We are not perfect. We know that. And I know it better than anyone, but all I can say is that every step we take is toward improving the organization and giving better service to the farmer with the least amount of money. That is my sole interest. As to this organization chart which was referred to, it is stated by the investigators that there is no relationship between the commodity branches, functionally, and the Assistant Administrators of operations in the field. It has been clearly understood from the very outset, at least ever since I have been at the head of PMA, that the Assistant Administrator functionally for marketing has everything to do with marketing any place in PMA, any segment of it. The assistant for commodity operations has responsibility for operations of the CCC program. He operates with full authority into every corner in every segment of PMA so far as his functions are concerned. The man on production operates the same way. We have tried to make that clear and whether the organization charts that were reviewed at that time fully reflect it, I do not know. I think that is the one we changed in October of last year to reflect it. I have a copy of it in front of me. I think it does show it in more detail and more clearly indicates it.

CONSOLIDATION OF APPROPRIATIONS

Mr. WHITTEN. Mr. Trigg, this investigation shows this: that the appropriation available to PMA for expenditure in the fiscal year 1951 is as follows: Conservation and use of agricultural land resources; acreage allotments and marketing quotas; Sugar Act; removal of surplus agricultural commodities; school lunch; marketing services—there are six subappropriations under this main appropriation; and Commodity Credit Corporation administrative expense limitation.

I wonder if this committee should not consolidate your appropriation for administrative expenses, list the amount of work you have in in there and arrive at some total that is fair and discontinue these two or three consolidated and semiconsolidated accounts. I wonder if that would not offer some chance of getting this thing where we could tell a little more about it and where we could hold a little bit closer rein on the PMA, not that there has been any wrongdoing or anything of that sort. What do you think about that?

Mr. TRIGG. Mr. Chairman, if I may comment on it, I fully realize the responsibilities that you people have and there are great responsibilities in making this money available to us and in the system that is employed in doing it. All I can say is that what we try to do, under

the present system, is to operate in a manner such that we can fulfill the responsibilities given to us by the Congress, and if it is in the wisdom of the committee here, and the Congress, to consolidate these items, it would certainly be agreeable with me. I have no disagreement at all.

Mr. WHITTEN. On this, for instance, they go on and say here:

> In addition to the appropriations set forth above, three special clearing accounts are used in the handling of practically all—in 1950 the amount was 87 percent of the total—of the administrative operating funds. The Agricultural Adjustment Act provides for the establishment of the section 388 account which covers all operating expenses of the PMA county committees, and the section 392 account which covers all National and State office expenses related to production programs, such as conservation payments, acreage allotments and marketing quotas, and the Sugar Act. Under the authority of section 601 of the Economy Act, PMA carries an account in the CCC books referred to as the "Consolidated account," which is used to finance the administrative and operating expenses of most of the balance of its programs, such as School Lunch Act, price support and supply functions, administration, and a small portion of marketing services funds.

We handle these funds item by item and appropriate given amounts; then you take the funds and consolidate them into a consolidated fund. It is all out of the Federal Treasury and is all related work, but why go through the rigamarole of making a special, separate appropriation for all these different phases of the same type of administrative activity and then lump them together?

Mr. ROBERTS. There are two fundamental approaches that can be taken on this matter. It is very complex and difficult; and I think the committee, the staff of the committee, and the investigators who raised this question, have raised a very fundamental issue. But I think there are a lot of factors involved that should be taken into consideration before changing the present method—I mean, modifying the approach, rather than improving the present method of doing it. The approach that has been taken on these appropriations in the past has been to recognize in each appropriation the total funds to pay for a given program or a given activity. Thus, when one looks at the appropriation for "Conservation and use," for example, it is evident that the Government is paying $285 million for that program. The same is also true of the appropriation for "Administration of the Sugar Act." When you look at the appropriation for the Sugar Act, it is evident on the face of it that we are spending $70 million, or whatever the amount might be, including the costs of administration. And so on down the line. The same is true of the item for "Removal of surplus agricultural commodities."

Now, assuming that the Production and Marketing Administration were to continue to administer all of these programs, it would be possible to consolidate the administrative expense part of each one of those appropriations into a single appropriation item for Production and Marketing Administration that would represent the administrative costs of all of the programs PMA administers. If you should do that, I think the committee should recognize that the appropriation for the Sugar Act will not reflect the total costs of that act. The appropriation for "Conservation and use of agricultural land resources" will not reflect the total cost of that program, and so on. Part of the cost will be in the appropriation for program purposes, and part will be in the consolidated appropriation for all of the administrative costs of PMA.

Mr. WHITTEN. May I interrupt you there? We appreciate your counsel and advice. But I am wondering if the information we get now, based on amounts which you folks in the Department say was used for these particular things, means anything. Listen to this:

> The procedures followed in the field were studied in certain of the offices in the Chicago area. In the Illinois State office at Decatur it was found that time reports were prepared generally by the supervisor, rather than by the individual employees, and were prepared at the end of the month rather than currently.
>
> In the PMA commodity office at Chicago, it was found that a combination of time reporting and workload reports is used to distribute the costs. It was also found that time reports were prepared by the supervisors at the end of the month and the workload reports were not current in the two divisions selected for study.
>
> The procedures for distributing the expenditures in the Fruit and Vegetable Branch and the Office of Audit were selected as representative of those followed in the national office. In the Fruit and Vegetable Branch it was found that internal control was weak and that no provision had been made below the branch level for standardizing the reporting forms, for authenticating reports, and for prohibiting any changes to be made on time reports unless confirmed in writing or supported by amended reports. One case was found where the report had been prepared in the administrative offices on the basis of a telephone conversation. It was also noted that if a person worked on a program for which no funds were available, liquidation programs, his time was deleted and prorated on the basis of time worked on other programs.
>
> In discussing the results of the study of these two offices with responsible PMA officials, it was learned that there has been no clear-cut delegation of responsibility for supervising the preparation of time reports. It is understood, however, that discussions are now underway looking toward fixing of responsibility for developing of uniform and standard procedures and for supervising the preparation of time reports at all levels.

Now, under your present system you say that you can give us a figure showing, if you want to, the cost of the various programs. But a check of your offices shows that these time reports are not kept currently; that in many cases they are made by the supervisors; that they are modified by reason of telephone conversations; and if the funds are depleted in one program, they just delete that and charge it to another. So I am saying to you that apparently the figures which you give us—and they look good on paper—are not backed up by the way you run your Office, according to this report.

Mr. ROBERTS. Mr. Chairman, I would like to continue what I was saying on the general problem, and then I would like to answer that question, if I may.

Even if the committee were to consolidate the administrative costs of the annual appropriations available to PMA, all of which it has before it, you would still have a real problem which would require a management account or some such consolidated working account, unless the committee is going to change its approach on some of these programs. Take the administrative costs of CCC, for example. Those costs now come out of the capital funds of CCC. They are not in an annual appropriation which is provided for by the appropriation of hundreds——

Mr. HORAN. Mr. Chairman, does that amount to automatic deficiency appropriations each successive year?

Mr. WHITTEN. Of Commodity Credit?

Mr. HORAN. They spend the money and we have to make it up?

Mr. WHITTEN. It is reflected in whatever cancellation of notes or appropriation we make. It is an expense of the Corporation and results in that much charge against the capital stock of the Corporation. If you check the annual limitation on use of Commodity Credit

Corporation, you will find that when plenty of PMA funds are in sight, there is less charge against CCC. On the other hand, when PMA funds are tight, you find them increasing the limit on CCC. On the other hand, if you are about to run short there, you charge it up to PMA activities and you put the funds in the same account so that you know you have money in the bank. So your present way of running it looks to me, as a layman, like you get funds from six or eight different sources, put them in two or three different accounts, but all of them are in a way consolidated, and draw one check on it. You just make a notation down at the bottom as to which activity it is and you can look back and see which one is running short and which one is still rather high and make the appropriate notation on your check. And this report would indicate that in the field that is what you do.

Mr. ROBERTS. That is a part of the second question I want to go to, Mr. Chairman. I do not want to belabor this point, but I want to be sure the committee understands the details.

Mr. WHITTEN. I am not taking the view that these changes should be made. I do not know. I can see that there is quite a bit wrong with the present way of handling it. Whether the other would be an improvement, I do not know.

Mr. ROBERTS. I feel as Mr. Trigg does, Mr. Chairman. If the committee would prefer to take the administrative expenses of these various programs and lump them into an administrative expense appropriation for PMA, and then maintain the program costs separately, that is all right, but the thing I want to point out is that that is not going to get away from the problem we have here of using some kind of a consolidated account and a costing system of one kind or another—either cost analysis or cost accounts—to distribute the costs. Section 32, Mr. Chairman, is another appropriation which it would be difficult to consolidate. But even assuming you could consolidate the CCC Administrative funds and the administrative costs of section 32 with "Conservation and use," with "Acreage allotments," and so on, you still have, as the table will show you which Mr. Trigg has provided the committee this morning, a total of $7 million of trust funds of various kinds which are available for salaries and expenses in PMA in connection with the ——

Mr. HORAN. Where is that chart?

Mr. ROBERTS. In connection with grading and inspection of farm products and so forth.

Mr. HORAN. Where is that?

Mr. ROBERTS. I think this table was introduced into the record. To handle those accounts, Mr. Chairman, you would have to have some kind of a consolidated or clearing account. I would not want to leave the impression with the committee that if you pulled these major programs together that we are talking about, you would not have this same problem. Since you will have the same problem, it raises the question in my mind as to whether it is not easier and better to continue the same appropriation approach with a good strong costing system—and I am not saying that the present one is perfect by any means, it can be improved I am sure—to support the distribution. I do not think PMA then would be in any different position than a large industrial concern that maintains a costing system of some kind

to distribute its costs to various departments or various functions of production.

Now, with respect to these reports, as I said before, I am sure they can be improved upon. PMA certainly has the desire and intends to build it up, and through internal audit and otherwise, police it to see that the reports prepared are just as valid as they possibly can be. I do not think that the fact that a given report for some particular department or office is prepared by the supervisor, whereas in another segment of the organization it is prepared by the individual, necessarily means that either one of them is wrong. Some types of operations, particularly on individual assignment bases, can be handled and the costs can be distributed more equitably and more properly by the supervisor because he knows exactly what piece of work he is assigning out to a given individual and where it fits in the total picture. On the other hand, in other types of operations where a given individual is performing several functions during the day, he himself is the only man who can properly distribute the time he has spent on each of several functions to which he has given his attention.

So I wanted to raise these points. We have some fundamental issues here and personally I would like to see them resolved.

I do think that if we are going to continue to distribute costs—and certainly we are going to have to continue such a distribution system for some of these activities that are outside the appropriation structure—it would be desirable if the Department of Agriculture, and particularly the PMA, had what I refer to as a "management fund," such as was given the military services in the National Security Act amendments of 1949. With such an account, I am sure we could do a much cleaner job than we are now doing by clearing these costs through the administrative expense account of CCC. I have not talked with Ralph Trigg on this and I do not know how he feels about it, but I am sure that some of his fiscal people feel the same way that I do.

(Discussion off the record.)

Mr. WHITTEN. We might go back on the record so we can proceed.

We handle your funds through a lot of appropriations, 8 or 10, and in addition you have money from these various trust accounts. In order to show what part of its is charged to various things, we make separate appropriations to you; you then put them together; and then you report them back to us like we first made them; and if the books won't balance according to this investigation, you make them balance. I just cannot see that this is a good arrangement.

On the other hand if all this money is put in one fund and we make an appropriation for it, you are much more likely to get it cut. However, if you got it cut, you would probably reduce personnel and it might be better for the Government.

I notice that these folks in their recommendations point out these weaknesses and point out the wisdom of going all the way toward an organizational set-up. They do make certain recommendations, however, which I will pass on to you and we would like to have a report later from you after you have had more time to study it. They also find fault with your obligating procedure.

It shows throughout your activities the necessity from time to time to adjust your balances and bring your books in line with what

you said you were going to do without regard to what you actually had done in many instances.

Mr. TRIGG. Mr. Chairman, I certainly appreciate what you have had to say about this and I appreciate the committee's report.

Mr. WHITTEN. That is the report of the investigators. It is not a personal report on my part. We found them rather sound about many, many matters and I think if you will read their recommendations you will recognize certain things that you folks have——

Mr. TRIGG. We are working hard to correct these things. We are trying to put the best policing system in on it that we know how. It is the best system that any of us can think of to do the job. We will certainly do everything we can to improve it.

Mr. WHITTEN. Are there any further questions along this line?

Mr. HORAN. What has been the effect of the Whitten amendment on the operations of PMA?

Mr. TRIGG. Mr. Horan, we have had this difficulty insofar as the operation of the Whitten amendment is concerned. People are hesitant to transfer to other agencies, to defense agencies, without some assurance of reemployment or that they will be given permanent status in the other agency—things of that sort.

Mr. WHITTEN. What has the Whitten rider got to do with that?

Mr. TRIGG. I do not know, frankly.

Mr. WHITTEN. This right of reemployment is not mentioned in it. Civil service has hidden behind that point to defeat the rider; but the rider itself makes no mention of reemployment rights and the failure on the part of the civil service to give reemployment rights is what has retarded transfers. I might say that I noticed in last week's paper—I have not seen it officially—that the civil service has come through and agreed to give reemployment rights.

Mr. TRIGG. One other thing that I want to point out, too, is that the PMA per se has been declared a defense agency; some couple of weeks or 3 weeks back we asked for it and it has just been declared. That in itself places a different aspect on the problem.

Mr. HORAN. Does that mean all facets of the PMA?

Mr. TRIGG. Yes, sir.

Mr. HORAN. Of course, that is a very interesting observation. I would like to have a little more detail on that, line by line, if the chairman will permit me because I would like to know just what the defense effort, what the effect of the defense effort on all of these functions is and why some of those enlarged to the point where we would put a blanket defense agency label on everything that PMA has been doing. Some of these are definitely peacetime and even depression eliminators, if I make myself clear. In other words, some of these programs here merely exist so that we can avoid shock to our economy such as we did have in 1929 to 1934.

Mr. TRIGG. Mr. Horan, I do not think we have any depression eliminator programs, if I interpret what you mean correctly, in PMA. Our basic programs are price-support programs and marketing programs under permanent legislation.

Mr. HORAN. Is that not a depression eliminator?

Mr. TRIGG. Not to my way of thinking.

Mr. HORAN. I know a lot of producers who would not agree with you on that one.

Mr. TRIGG. I am sure that it is true that a lot of people would not agree with me, but I think one of the best mechanisms we have for getting agricultural production is the price support legislation.

Mr. HORAN. I do not disagree with you on that. But what I want to know is this point, and this is something the committee is very much interested in. We move into an era of all-out production. Some of the things that we have to guard against when we are producing and know we are going to have surpluses, the danger of surpluses right now certainly is nonexistent, is it?

Mr. TRIGG. Not in all categories; no, sir. We have some surpluses

Mr. HORAN. I wish you would take these one at a time and tell us which ones you expect to scale down in their activities and which ones will have to be enlarged:

Conservation and use of agricultural land resources is the first one. What is the effect of the defense effort on that?

Mr. TRIGG. Of course, Mr. Horan, that program has great significance toward the defense effort for the simple reason that if we are going to ask for some 6,000,000 acres of additional corn, if we are going to ask for 16,000,000 bales of cotton, we are going to ask for increased wheat production and so forth, we are bound to mine the soils of this country; we cannot help ourselves. We did in the last war, and we will do it in this emergency because we are 38 or 40 percent higher in production now than we were prewar. If we go all out for production, we are going to ask those people to some extent to abandon their probably sound and sensible crop rotation system in order to get production. We may have to do it in some instances. But we have got to put the fertilizer and the soil-building materials back in the soil if we are to keep this production up—to my way of thinking.

Mr. HORAN. I just want a statement, not an argument. I want to know what you think of these. Now acreage allotments and marketing quotas.

Mr. TRIGG. That is being cut down. We are returning considerable money that was appropriated for that activity.

Mr. HORAN. Is that reflected in a decrease in the costs that you are asking us to grant you for the coming fiscal year?

Mr. TRIGG. The money that was appropriated by the last Congress for acreage allotment and marketing quotas is being returned, that is the unused part of it, and we are revising our estimate for 1952.

Mr. HORAN. That represents a saving. Mr. Beach, what is the savings for fiscal 1952 on that item?

Mr. BEACH. For the fiscal year 1952, Mr. Horan, we have a change in language coming up in an amended estimate and that will include an estimate for carrying out production guide work so there will be a net savings of a small amount in 1952, in addition to the funds we turned back to the 1951 appropriation of approximately $7,500,000 to $7,900,000.

Mr. HORAN. You can correct the record on this.

Mr. BEACH. Approximately $7,950,000.

Mr. HORAN. Now what about the Sugar Act? What are the effects there?

Mr. TRIGG. That, of course, is an act that is on the books and it is just a matter of administering its mandatory provisions whether it is peacetime or otherwise.

Mr. HORAN. That remains the same?

Mr. TRIGG. There is an increase to meet the mandatory requirements of the law, Mr. Horan.

Mr. HORAN. I have not checked that lately. What is our situation regarding sugar?

Mr. TRIGG. As to supply?

Mr. HORAN. It is tight, is it not?

Mr. TRIGG. No, sir; our sugar consumption estimate of over 8,000,000 tons is the highest in history, and we have a very liberal estimate of 8,000,000 tons for this present calendar year. Of course you know we are an importer of sugar and we utilize all the sugar that is produced in the United States and whatever it takes to make up the requirements we import from Cuba and elsewhere.

Mr. HORAN. Now, the Sugar Act, you increase the cost of administration for what purpose?

Mr. TRIGG. There is a slight increase of $45,000.

Mr. HORAN. Is that administrative, you say?

Mr. BEACH. Yes, sir; that is right. The other increase is in the program cost itself.

Mr. HORAN. To increase offshore or domestic sugar production? That is all domestic production?

Mr. BEACH. That is for surveys of consumption.

Mr. HORAN. And has no relation to the increase, then, of domestic production of sugar?

Mr. BEACH. Nothing at all, sir.

Mr. ROBERTS. Mr. Horan, on the sugar program—and I guess we will get into it later—there are some pretty good tables on page 105 of the justifications that may give you an idea of the volume of sugar production.

Mr. HORAN. I assume we will get into this, but since this has been raised, I wanted to get an over-all picture before we go into the individual activities under PMA.

Now the removal of surplus agricultural commodities; is that increased or decreased, and if so, for what reason?

Mr. TRIGG. That is section 32.

Mr. HORAN. Yes.

Mr. BEACH. It is a permanent continuing appropriation, Mr. Horan; being 30 percent of the customs receipts or the preceding calendar year. It reflects an increase over last year because of an increase in the customs receipts.

Mr. HORAN. We can allow that to accumulate up to $300,000,000. Do we need that now as much as we did?

Mr. TRIGG. No, sir.

Mr. HORAN. I would like to see it built up and get to a place where we have to look forward to a rainy day. We are in the sunshine right now.

Mr. TRIGG. Our revised table which I will point out when we get to it, or right now——

Mr. HORAN. Let us wait until we get to it; but I want to get an over-all picture. Now the School Lunch Act; we are appropriating direct funds for that?

Mr. TRIGG. Yes, sir.

Mr. HORAN. That program remains approximately the same? Is it possible that it is being stepped up?

Mr. TRIGG. It can be stepped up if the Congress provides more money for it.

Mr. HORAN. Under the Defense Act, you have not done that?

Mr. TRIGG. No, sir.

Mr. HORAN. Marketing services; does that remain the same?

Mr. TRIGG. Those are principally mandatory programs.

Mr. HORAN. Market inspection of farm products, marketing farm products: tobacco, cotton, and the regulatory acts—they remain the same?

Mr. TRIGG. Yes, sir.

COMMODITY CREDIT CORPORATION

Mr. HORAN. The $64 question that I hope to get an answer to today is, your activities under the Commodity Credit Corporation for fiscal 1952. You have increased that?

Mr. TRIGG. We have not asked for an increase, Mr. Horan. We are asking for the same amount that was provided for the 1951 fiscal year, including the supplemental we asked for.

NATIONAL DEFENSE ACTIVITIES

Mr. HORAN. To take care of this year's activities, which we can see. What I would like to have explained further, Mr. Chairman, when we get to that, is why we have to allow it to remain the same as it was last year. I am not saying it should not be. The questions I have been asking were not the whole program as to why you would be made a defense agency, which I believe you should, but I think in reorganizing and reorienting the work of PMA as a defense agency, we should be told where the emphasis is going to be placed and, if possible, where some savings can be made in good conscience and with good reason.

Mr. ANDERSEN. I think you are absolutely right, Mr. Horan, and I do not see how we can say that each and every part of your operations, Mr. Trigg, should come under the category of defense.

Mr. WHITTEN. We went into this personnel a while ago. Now, as a matter of fact, that was one of the charges I made in a recent speech and I think it is borne out by the record: just about every agency tries to get designated as a national defense agency so they can hold their personnel and use it as a means to get special treatment in the budget. I do not accuse you of that as an individual but it is borne out by the records of a number of agencies that have tried to get themselves designated as defense. Now, there is no stronger believer in PMA or the Soil Conservation Service work than I, but to classify your work as national defense and anything like the military is foolish.

Now, the Commodity Credit Corporation's activities—you cannot have anything like the volume of work through the Commodity Credit Corporation next year that you had this year. You have got price control support programs. They are absolutely essential. It is essential to have them on the statute books, but as long as the price is good, you have no work to do.

And with regard to getting farmers to sell, I was raised in the country and I live there now, and the local community committee-

men cannot get a whole lot of folks to plant a lot of cotton. When they have work to do on their own farms, it is foolish for you to run them around their county trying to sell a lot of ideas.

Mr. HORAN. Do not forget this: That a man who is in a defense agency, whether he is doing good work or not—and we all have to admit the possibility that he might be loafing—under certain circumstances, especially unless you and this committee can justify his existence as a Government employee, as a member working for a defense agency, he has at least one additional bargaining argument with the draft board whereas some of our 18-year-olds out on the farms who are actually producing what the PMA is interested in may not have an equal argument with the draft board in his county. That can happen. That can happen unless we take a very realistic look at this defense agency picture.

Mr. TRIGG. If I may, I will comment on this whole thing, Mr. Chairman and Mr. Horan. If we are not a defense agency or should not be, there is something wrong some place, for the simple reason that most of the authority that the Secretary received under the President's Executive order that came as a result of the Defense Production Act of 1950 has been delegated to PMA. The rest of it went to the Forest Service.

Mr. HORAN. I am not arguing that point. But I am arguing if you are keeping a man—that is the reason we have got to look at these things realistically—if you are keeping a man in PMA simply because you have been designated as a defense agency, in work that is not contributing to defense, you as an administrator have a responsibility to point that out and to make sure that he does something that is of service to the Nation. There are only so many Americans, you know.

Mr. WHITTEN. I am not talking about some phases of your work not being in that category, but to blanket the whole agency into national defense—it just cannot be justified.

Mr. TRIGG. Of course we are not trying to justify the whole agency.

Mr. WHITTEN. The administration of the Sugar Act. How in the world is that any different from what it was before we got into the war with Korea?

Mr. TRIGG. One of the important things that was done in connection with the administration of the sugar program was that sugar was the very first commodity that started disappearing from the shelves of this country after the Korean invasion; even before it had hardly begun, it was necessary to step out and do something about that. That was worked through our Sugar Branch; that is, the procurement of sugar from Cuba—600,000 tons that we committed ourselves for and I think we have put but very few dollars in it.

Mr. WHITTEN. As Mr. Horan has pointed out, for you to hold the folks you have in the Sugar Branch because of the importance of sugar when you are fighting, and most any citizen who has some training in your work could replace the men that you have there——

Mr. TRIGG. I would like to point this out: That our operations are a little bit different than would be the case if you were to establish solely a defense agency and you set out to staff it. It is one function, and we have absorbed this defense activity right within our own agency. We have not added a great deal of personnel. We have set up two or three new offices and cut out some.

Mr. ANDERSEN. Did you staff these from other offices?

Mr. TRIGG. Requirements and Allocations, and one other office, Materials and Facilities, are the only new organizations, but the commodity branches that handle these regular programs are having to absorb this work with existing personnel. We are not adding a great deal of personnel. And to my knowledge we are not holding anybody. If they want to transfer elsewhere, or if anybody asks for people—we are transferring people now to the Office of Price Stabilization.

Mr. WHITTEN. Why did you ask to be designated as a national defense agency? What was the purpose behind it?

Mr. TRIGG. Primarily because we were given defense responsibility under the Executive order.

Mr. WHITTEN. You already had that. So what necessity was there to get anything other than the original order designating you?

Mr. TRIGG. It aids a great deal, Mr. Chairman, if there is an agency that is recognized as a defense agency for agriculture.

Mr. WHITTEN. It helps you to get funds, one; it helps you to hold your personnel, two; it helps you to keep your personnel from going to war, three. What else does it do?

Mr. TRIGG. Primarily it helps us with the people who are interested in the production of food and consumption of food, in the distribution of food, to know where to go to get the job done insofar as the Government is concerned.

Mr. WHITTEN. Well, you could carry a little news story in the paper without expense telling them that you are handling that; couldn't you?

Mr. TRIGG. Well, the people who come to——

Mr. WHITTEN. The official designation as a defense agency does not change your work one bit; it does help you hold on to your folks and not let them go into real defense work.

Mr. HORAN. As Mr. Trigg has said, they are designated as a defense agency because we need all-out production of food; isn't that right? That is the reason?

Mr. TRIGG. We were given responsibility to carry through on the requirements and priorities and allocations part of it, Mr. Horan. And inasmuch as it is absorbed largely by our existing organization, we didn't take a part of a PMA and set it aside and say, "This is the outfit that is going to work on defense solely." What we have done is absorb with existing personnel at every level that we can.

Mr. HORAN. So far I like that idea but I am anxious to get into the details here.

Mr. TRIGG. We haven't put on many people, Mr. Horan; we have absorbed the work we were doing plus the other permanent activities with the people we had and have cut down everywhere we could without taking any new people. I think we have employed only some 20 new people since the invasion of Korea.

Mr. WHITTEN. Of course, that is a wonderful improvement as against the War Food Administration during the last war. We all recognize the problem of all-out production of food as being essential at this time and that the Department has to do it. I can't see, however, that there is the same administrative work now as formerly.

Now, I notice your statement about allocations and priorities. That may come. It hasn't reached here yet. Have you been given any information on that problem yet?

Mr. TRIGG. Yes, Mr. Chairman; in the original Executive order under the Defense Production Act.

Mr. WHITTEN. They have not been set up yet.

Mr. TRIGG. That is right, but we have all of this sort of thing going on. We have quantities of fertilizer and insecticides and pesticides and farm machinery needed. We have to determine the amount of labor needed on farms. Those are the things we are now working on down through our regular organizations. We have had to take on a lot of work that certainly we would not need people for if this war emergency hadn't come along—no doubt about it. But we have got to do that to be sure that there is sufficient food available when the time comes.

We are asking for all-out production and it hasn't been easy for individuals, as in the case of the cotton business. It hasn't been easy, and we are not at all convinced as of this minute that we are going to get the amount of cotton we asked to be produced. We are beating the bushes across the country to be sure that people recognize the need to produce cotton and trying to get the things that go into it.

Mr. WHITTEN. Lots of farmers believe, and I can't differ with them entirely, that this 16,000,000 bales is an effort to build up reserves to hold the price down, as much as anything. And I can't help but remember that the Department wanted 16,000,000 acres of cotton last year and the farmers had to insist on increasing that to 21½ million.

Mr. TRIGG. Of course you are familiar with the recommendations that were made by the mobilization committee of the cotton industry and the Cotton Council that we even have more than 16,000,000 bales.

Mr. WHITTEN. The Cotton Council gets 10 cents a bale and the more cotton they have, the more they can collect, 10 cents a bale for ginning. You knew that, didn't you?

Mr. TRIGG. No; I didn't.

Mr. WHITTEN. That is on a baleage basis.

Mr. TRIGG. We don't go on that. We thought that with cotton as scarce in the world as it is and its being the necessary item that it is, that in any emergency we certainly need the 16,000,000 bales.

Mr. WHITTEN. I do not know the answer and I have not made any public statement attacking your program. You may be right about it but if the Korean situation does settle down, you are going to end up with 5 or 6 or 7 million, unless you give it away. And next year we are going to be wrangling trying to take care of the cotton situation.

Mr. TRIGG. You are perfectly right and we also will have corn, additional wheat—well, there is no question about it, Mr. Chairman. But, on the other hand, if it gets worse, we hope that we will have enough to do the job that we will be called upon to do.

Mr. WHITTEN. Certainly, we have got to err on the side of safety so we are trying to go along with your 16,000,000 bales of cotton as well as your increases on other things. It is a little bit saddening to realize that, while we are doing it in for national defense if the situation should swing around, it would be charged up to agriculture.

Mr. TRIGG. I agree with you.

Mr. WHITTEN. Mr. Trigg, I think you are handling these various questions that have been presented to you in a sound way, and I have frequently told you that you have one job that I don't think anybody

could do satisfactorily. It is kind of like service in Congress, there is just no way to do it to your own satisfaction. It has so many angles and sides and complications to it. But I do think you make a very determined effort and I have seen you grow and develop with the job.

CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$257,043,439	$282,500,000	$285,000,000
Transferred to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1392	−4,992,439	−4,966,000	−4,966,000
"Local administration, sec. 368, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1388	−20,854,000	−20,284,000	−20,284,000
Adjusted appropriation or estimate	231,197,000	257,250,000	259,750,000
Received by loan from Commodity Credit Corporation	25,000,000	40,750,000	23,750,000
Unobligated balance, savings under sec. 1214		−26,000,000	
Total direct obligations	256,197,000	272,000,000	283,500,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	90,044	140,000	140,000
Payments received from non-Federal sources	168,619	185,000	185,000
Total reimbursable obligations	258,663	325,000	325,000
Total obligations	256,455,663	272,325,000	283,825,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Conservation payments to farmers	$234,992,739	$256,992,858	$259,750,000
2. Production and Marketing Administration county committees' expenses	20,854,000	20,284,000	20,284,000
3. National and State operating expenses	4,992,439	4,966,000	4,966,000
4. Repayment of loan (with interest) from Commodity Credit Corporation	21,012,278	15,007,142	23,750,000
5. Payment of audit expense to General Accounting Office	191,983		
Total	282,043,439	297,250,000	308,750,000
Adjustments itemized in funds available, statement above	−25,846,439	−25,250,000	−25,250,000
Total direct obligations	256,197,000	272,000,000	283,500,000
REIMBURSABLE OBLIGATIONS			
1. Conservation payments to farmers	258,663	325,000	325,000
Total obligations	256,455,663	272,325,000	283,825,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Total number of permanent positions	48		
Average number of all employees	37		
Personal services:			
Permanent positions	$167,316		
Regular pay in excess of 52-week base	836		
Total personal services	168,152		
02 Travel	21,186		
04 Communication services	97		
08 Supplies and materials	2,548		
11 Grants, subsidies, and contributions	234,992,739	$256,992,858	$259,750,000
14 Interest	12,278	7,142	
Not distributed by objects: Repayment of loan from Commodity Credit Corporation	21,000,000	15,000,000	23,750,000
REIMBURSABLE OBLIGATIONS			
11 Grants, subsidies, and contributions	258,663	325,000	325,000
Total obligations	256,455,663	272,325,000	283,825,000

Proceeding then to the next title which has been covered generally, "Agricultural conservation program."

I would like to insert pages 54 and 55, volume II in the record at this point.

(The pages referred to are as follows:)

PURPOSE STATEMENT

The agricultural conservation program is formulated under the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, and is financed from the "Conservation and use of agricultural land resources" appropriation item.

The purposes of the act include the preservation and improvement of soil fertility, and promotion of the economic use and conservation of land. To effectuate these purposes of the act the agricultural conservation program offers assistance to farmers and ranchers in all of the 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands in carrying out approved soil-building and soil- and water-conserving practices.

Each State and county selects approved conservation practices for which assistance will be offered in the State, county, or other area. The practices selected are of the following approved types:

1. Practices to protect soil from wind and water erosion, such as terraces, sod waterways, and contour farming.

2. Practices to develop cropping systems that protect the soil and restore, improve, and maintain soil productivity, such as green manure and cover crops and the application of mineral elements on conserving crops.

3. Practices to restore and maintain range and permanent pasture such as grazing land management, pasture and range reseeding, and livestock water developments.

4. Practices to conserve and obtain efficient use of agricultural water, such as subsoiling and reorganization of irrigation systems.

5. Drainage practices, such as open farm drainage ditches and tile drains.

6. Farm woodland practices, such as planting forest trees and shrubs and improving a stand of forest trees.

The rates of assistance vary by practices and by States and area so as to make the most effective use of available funds. The average rate of assistance for all practices is less than one-half the cost of performing the practice, the farmer bearing the balance of the cost. Assistance is available in the form of materials or services furnished to the farmer for carrying out approved conservation practices or in the form of cash payments as partial reimbursement to the farmers who carry out approved practices at their own expense. Materials and services furnished to farmers are obtained through local private sources where practicable.

Appropriated funds

Estimated, 1951	$256, 500, 000
Budget estimate, 1952	285, 000, 000

Conservation and use of agricultural land resources

	On direct appropriation basis	On funds available basis
Appropriation act, 1951	$282, 500, 000	$282, 500, 000
Reduction pursuant to sec. 1214	−26, 000, 000	−26, 000, 000
Net appropriation available, 1951	256, 500, 000	256, 500, 000
Add increased borrowing in 1951 from Commodity Credit Corporation under authority contained in sec. 391 (c) of the Agricultural Adjustment Act of 1938 for purchase of advance conservation materials for 1951 program	----------	+25, 750, 000
Base for 1952	256, 500, 000	282, 250, 000
Budget estimate, 1952	285, 000, 000	285, 000, 000
Increase (to assist farmers in carrying out additional soil conservation practices in accordance with the advance authorization of $285,000,000 carried in the 1951 Agricultural Appropriation Act)	+28, 500, 000	+2, 750, 000

NOTE.—Although there is an increase of $28,500,000 on a direct appropriation basis, funds available in the estimate for 1952 are only $2,750,000 above 1951. In order that the reduction of $26,000,000 pursuant to sec. 1214 of the General Appropriation Act, 1951, would not affect plans for services and material to be advanced to farmers under the 1951 program, an additional $25,750,000 was borrowed from the Commodity Credit Corporation as authorized by sec. 391 (c) of the Agricultural Adjustment Act of 1938. The difference of $250,000 represents administrative funds reduced under sec. 1214, but not offset by additional borrowings from Commodity Credit Corporation.

REDUCTION UNDER SECTION 1214

Mr. WHITTEN. You had a reduction last year of how much, in the appropriated item, Mr. Trigg?

Mr. TRIGG. I believe it was reduced from $282.5 million to $256.5 million.

Mr. WHITTEN. That was a reduction by the President. You cut it back to $256,500,000? How much was the program announced the preceding year?

Mr. TRIGG. $285,000,000.

Mr. WHITTEN. Now you took the smaller amount of money and met your obligations under that. How were you able to do that? We understand that the farmer puts up his labor and a share of the costs and that the Federal Government announces that they will pay a part of the cost to these various soil programs.

Mr. TRIGG. Mr. Chairman, under authority of section 391 (c) of the Agricultural Adjustment Act of 1938 there is an item of $25,750,000 borrowed from Commodity Credit Corporation to meet the obligations incurred under the program which was announced the previous year.

Mr. WHITTEN. Have you asked the Commodity Credit Corporation to come in and meet those payments or was some of the money not used up in some States? In other words, the way this program is handled now, you announce in the spring a particular program. There is a statement to the farmer that you will make these payments up to the amount of money that is available. In this instance, they reduced the amount of money that was available. Every county did not reduce the total amount of money that you allocated to it.

Mr. BEACH. Mr. Chairman, the net effect of this reduction was, as Mr. Trigg has pointed out, an increase in the amount we had planned to borrow from Commodity Credit Corporation for advance purchases

of conservation materials and services. In effect we mortgaged the next year's fund by a larger amount of money than we would have otherwise.

FEDERAL CONTRIBUTIONS TO SOIL CONSERVATION PROGRAM

Mr. WHITTEN. What money have you actually paid out? What did you pay out the last fiscal year in Federal contributions to soil-conservation programs?

Mr. BEACH. The actual total obligations last year?

Mr. WHITTEN. Do you consider it to be an obligation when you announce to the farmer that we will meet these practices. I want to know how much money you paid out in the last calendar year.

Mr. BEACH. Gross assistance in 1949, which is the one we are speaking of, $223,223,000.

Mr. WHITTEN. I want to know about this last calendar year.

Mr. BEACH. 1950.

Mr. WHITTEN. The money that was in the last bill went toward the payment for 1950, did it not?

Mr. BEACH. Yes, sir; $255,000,000.

Mr. WHITTEN. So your payments were within your $257,000,000?

Mr. TRIGG. That is right; yes, sir. In other words, what we actually paid out was less than the $257,000,000.

Is that a firm figure or an estimate?

Mr. BEACH. That is an estimated figure at the present time.

Mr. WHITTEN. What you borrowed from Commodity Credit was not used to meet your payments last year, but to buy a volume of supplies to meet this year's program?

Mr. TRIGG. Yes, Mr. Chairman. As you know, we announced a program of 285 million dollars.

Mr. WHITTEN. The point that I make, though, is that last year the actual carrying out of the program was such that you absorbed the reduction and still paid the farmers what you had announced.

Mr. TRIGG. According to the most recent estimate, which we do not have firm figures on yet, that is correct; yes.

Mr. WHITTEN. In last year's bill, what was the announced program for this year?

Mr. TRIGG. The same, $285,000,000.

Mr. WHITTEN. You estimate this year with an announcement of 285-million-dollar program you can meet that with 259 million dollar appropriation?

Mr. TRIGG. That would be assuming——

Mr. WHITTEN. That $285,000,000 included your administrative funds, did it not?

Mr. TRIGG. Yes, sir.

Mr. BEACH. Of course, from the $285,000,000 we would have to pay back what we borrowed last year. In other words, our borrowings were against 1952 appropriation. A portion of them would be paid back this year.

Mr. ANDERSEN. In other words, that would really not constitute a saving, then, would it?

Mr. BEACH. It is a savings; yes, sir. We have the authority to borrow funds from CCC in advance of appropriation. We pay CCC

out of the appropriation when it is made. We use those funds for advance purchase of conservation materials and services.

Mr. WHITTEN. If I understand you right, you did not borrow from Commodity Credit to meet your obligations last year; but you borrowed from Commodity Credit to buy your supplies to start out this year?

Mr. TRIGG. That is correct, sir.

Mr. BEACH. To carry out our plans for this coming year.

Mr. ROBERTS. I have a chart, if the committee would like to take a minute to look at it, which I think will help clarify this matter.

Mr. WHITTEN. The committee would like to see it.

CHART ENTITLED "CONSERVATION AND USE OF AGRICULTURAL LAND RESOURCES"

Mr. ROBERTS. The first bar shows the 1950 program with a total of $282.5 million. That was contemplated to be carried out with $217.9 million from the 1951 appropriation; a CCC loan of $25 million and $39.6 million from the 1950 appropriation.

As you know, each year a given sum of money is carried in the annual appropriation act. That is used to carry out the regular current program and to purchase the advance materials, seeds, fertilizers, and so forth, for the next succeeding program. You will remember also that the Congress provided in section 391 (c) of the AAA Act of 1938 for borrowing from CCC to purchase the advance materials with the idea that CCC would be repaid from the appropriation when it was later made. A loan of up to $50 million is authorized.

The 1951 appropriation then was to provide $217.9 million for the 1950 program, $15 million for repayment to CCC, and $49.6 million for advances on the 1951 program which began January 1, 1951.

Without this adjustment which you referred to under section 1214, the 1951 program authorized at $285 million would have been financed this way [indicating], $220.4 million from the 1952 appropriation, which is in this bill; $15 million by CCC loan, and $49.6 million of 1951 appropriated funds. The 1952 appropriation would have provided the $220.4 million for the 1951 program and would have provided advances on the 1952 program of $64.6 million.

Now, that is the way it would have been had the adjustment under section 1214 not taken place. We are going to lower this isinglass over the chart and show you what happened as a result of the section 1214 adjustment. The 1950 program, the 1951 appropriation is changed by what really shows up as two-tenths of a million dollars. Actually, it was $250,000 of administrative funds that were reduced under Section 1214. Thus, for 1950 program, the amount of money used from the 1951 appropriation became $217.7 instead of $217.9.

Of the 1951 appropriation, originally $217.9 million would have been used for the 1950 program. With the reduction in administrative expenses, that became $217.7 million. Now you will notice that originally there would have been advanced on the 1951 program $49.6 million for materials, etc. Under the adjustment, they will still use $15 million to repay the Commodity Credit Corporation for

loans previously obtained. Advances on the 1951 program were reduced from $49.6 million to $23.8 million, and $26 million was returned to the Treasury under section 1214. In other words, advances on the 1951 program—to be paid from the 1951 appropriation—were reduced by $26 million.

The 1951 program would originally have been financed as follows: $220.4 million from the 1952 appropriation which you have before you now; $49.6 advanced from 1951 appropriation, and $15 million of CCC loans. Here, the adjustment had the effect of reducing the amount of money which would be used from 1951 appropriation for advances on the 1951 program and increasing the loan from CCC to $40.8 million.

When the 1952 appropriation is made, it would have been used to the extent of $64.6 million for advances on the 1952 program. That had the effect, then, of reducing the advances on the 1952 program from $64.6 million to $40.8 million; the repayment to CCC then would be $23.8 million out of the 1952 appropriation.

Under the provisions of section 391 (c) which has been referred to, not only is the Commodity Credit Corporation authorized to advance funds for materials on the program, subject to repayment when the appropriation is made, but it also provides that there shall be carried forward from old appropriations any unused balances of appropriations made for the ACP program, these to be used in repayment of any loans received from CCC. That has the effect, then, of reducing as, those balances are accumulated, the extent to which the CCC loan is repaid from current appropriations. If these appropriation balances had not been carried forward, the CCC loan authority would be used for all advances on the next year's program, subject to repayment when the appropriation is made. But since these balances are accumulated, it does permit PMA to reduce the amount of money which it would otherwise obtain by loan from CCC. These balances have accumulated from time to time, as I have said, and this committee, I am sure, will remember that twice in the last 10 years they have been used to provide for over-participation in the program or to reduce the current appropriation. I believe in the 1948 bill there was a reduction, by this committee, in the amount of money carried in the current appropriation since those balances were available to take care of payments.

This chart, as a matter of fact, reflects a possible additional accumulation of $2 million from the 1950 appropriation. (For example, we have here a CCC loan of $15 million; had this change not occurred, it would have been anticipated that that $15 million would be repaid from the 1950 appropriation. The loan has increased to $40.8 million. It is contemplated that that will be repaid by $17 million from the appropriation, and $23.8 from the 1952 appropriation; indicating a possible pick-up of $2 million in 1950 balances.

Mr. HORAN. What is the relationship of crop versus fiscal year? Is that the reason we have this juggling?

Mr. ROBERTS. That is the thing that makes it complex, Mr. Horan. The 1951 appropriation was made available for payments on the 1950 program, and for advances on the 1951 program.

Mr. HORAN. Of course, this becomes available at just about the time that the crops are coming in.

Mr. ROBERTS. It becomes available about the time that the crops are coming in, but the program year began the preceding January 1; advances on materials, seeds, and fertilizers and so forth, began to take place last January, not when the appropriation is made. As this chart shows, there was no effect on the program either in 1950 or in 1951, except for this reduction that took place in administrative expenses. The difference is the extent to which existing balances or CCC borrowing authority is used to purchase the advance materials on the next succeeding program.

Mr. HORAN. Have you ever considered any revisions that might save you some bookkeeping on those adjustments? Or do you think it is possible?

Mr. ROBERTS. Back in 1943 or 1944, some consideration was given to the possibility of a change—I do not remember whether it was setting the program up on a fiscal year basis or getting the funds appropriated on a calendar year basis—but it was not at that time considered desirable to make a change.

Mr. ANDERSEN. And in the final analysis, does it not mean that the cut which the President by direction of the Congress made in this particular program last year will really show up only as far as the farmers' funds are concerned this year?

Mr. ROBERTS. No; it does not. This adjustment will not affect the program in any way as far as the farmer is concerned.

Mr. ANDERSEN. I get back to my original point: Where and when do you really save the money that the President is supposed to have saved by the direction of the Congress?

Mr. ROBERTS. It has been saved out of the current appropriation, and has been made possible due to accumulation of old year balances.

Mr. WHITTEN. Let us return at 2 o'clock, gentlemen.

AFTERNOON SESSION

Mr. WHITTEN. Proceeding further, then, Mr. Trigg, I believe we have pretty well covered some phases of it.

STATE AND COUNTY ALLOTMENTS

Now, getting back to the State and county allotments, could you give us a break-down of unused balances by State and county for the 1950 fiscal year, the 1949 program year?

Mr. TRIGG. Mr. Chairman, we have an unused balance of $114,204 at the State level, and none at the county.

Mr. WHITTEN. When you say none at the county level, you mean that none of the counties reported in any money? You would not mean that they used up every dime that was allocated?

Mr. BEACH. Mr. Chairman, we transferred the county expense money to the county office bank accounts, and it is treated as obligated. They may still have had, and we know they did have, balances in their local bank accounts as of June 30.

Mr. WHITTEN. And you do not know how much the counties have got to their credit?

Mr. BEACH. Yes; we did know at that time. I do not have the figures right here in front of me. But when we make the allotments

for the ensuing year, we take into consideration the balance that they have in the bank accounts. I do have that figure here somewhere.

Mr. WHITTEN. I hope that you can insert it in the record at this point.

Mr. BEACH. All right, sir.

(The information referred to is as follows:)

Local administration, sec. 388, Agricultural Adjustment Act of 1938, unobligated balances in PMA county committee bank accounts as of June 30, 1950 (fiscal year 1950 funds)

Alabama	$104,275	Nevada	$1,973
Arizona	976	New Hampshire	1,461
Arkansas	67,263	New Jersey	16,978
California	0	New Mexico	2,414
Colorado	3,026	New York	18,133
Connecticut	12,429	North Carolina	203,166
Delaware	5,633	North Dakota	150,913
Florida	19,797	Ohio	104,066
Georgia	147,625	Oklahoma	48,198
Idaho	28,562	Oregon	3,392
Illinois	170,585	Pennsylvania	31,037
Indiana	59,649	Rhode Island	1,279
Iowa	129,686	South Carolina	49,128
Kansas	41,963	South Dakota	73,774
Kentucky	33,938	Tennessee	91,849
Louisiana	21,560	Texas	281,683
Maine	2,679	Utah	3,991
Maryland	77,250	Vermont	2,135
Massachusetts	7,417	Virginia	55,751
Michigan	66,715	Washington	13,648
Minnesota	57,031	West Virginia	12,805
Mississippi	45,158	Wisconsin	29,038
Missouri	84,862	Wyoming	392
Montana	55,552		
Nebraska	22,928	Total	2,463,763

COORDINATION OF ACTIVITIES

Mr. WHITTEN. Now, part of our investigation was called to the attention of the Secretary of Agriculture, and we have been advised that he has been making some coordination of effort. You will expect to cooperate in that effort closely to coordinate the various work in the field of soil conservation, would you not?

Mr. TRIGG. We have been, and we already are, Mr. Chairman.

Mr. WHITTEN. The order has just gone out so far as consolidating offices and cutting out duplication are concerned.

Mr. TRIGG. We have already had meetings with our field people and with the people here in Washington, and we will carry through with meetings in the field.

Mr. WHITTEN. The report indicated that no special effort had been made to use this 5-percent transfer authority, which this committee wrote in a few years ago in an effort to more closely coordinate the activity. Very few of the counties were using it, and no real effort had been made to use it.

Mr. TRIGG. Mr. Chairman, we have made a rather determined effort to survey the situation and see that our counties made use of that provision.

Mr. WHITTEN. They may have. But you will recall when it was first written in there, it was November or December before any

announcements went out on it. That is almost half a year ago. Of course, your reports have come in now, from about 6 months ago. So really there were very few months in there for the provision to have worked. It was delayed about 5 months before you started to do anything on it, and our investigations probably came 5 or 6 months after it finally did start. So there was really no trial run on it.

Mr. TRIGG. I think that is true. The first year, that is absolutely true. There was some delay in getting an agreement worked out between SCS and P. and M. A., but it did not get a full year's operation. But you recall in my testimony last year before this committee, I asked that we continue that, and I feel that we should now. I do not know just how all of the details of this order that the Secretary just announced will be worked out.

It seems to me that it would not do any harm to continue with it. I would recommend that it be continued.

Mr. WHITTEN. There is no pride of authorship. The whole purpose here is the same as that of the Secretary. I understand the legislative committee's leadership has approved his efforts to coordinate these activities at the local level and elsewhere as much as possible. It is a hard job to coordinate activities and organizations after we once get set up separately. Each is jealous of its rights and prerogatives, and it is mighty hard to put them together so that one does not feel that he is being subordinated to the other. And I realize that the Secretary has a terrific job in trying to work it out.

I have hopes that it is going to work out. Like this 5-percent provision that the committee put in, it probably is not the answer to all things, but it is a move in the right direction. I personally have heard many criticisms from farmers themselves with regard to the diverse activities and many groups that enter into the picture at the local level. At the same time, I do not want to lose the value of the PMA committee system, and I do not want to lose the benefits of having a broad program that applies to all farms.

On the other hand, I want to utilize fully the technically trained people to whom we are paying about $50,000,000 for their services through the Soil Conservation Service. And I do hope that every effort will be made to make this consolidation work. And if it does not, we are going to know why.

This order says that as far as possible, we will have one office at the local level. We have learned long since that it is easy to develop an order on paper, but what counts is what is behind it. It is going to be the committee's desire to see that the coordination of this activity is carried on, because the prime purpose of all of it is to improve soil-conservation work.

I do not know whether we should put investigators on it now or wait for a few months. But I do believe that we should follow it up and see just how it is working in the field. Have you had the benefit of the investigation which we called to the attention of the Secretary?

Mr. TRIGG. No; I have not, Mr. Chairman.

Mr. WHITTEN. We are taking up a lot of time, Mr. Trigg, on these matters. But we are all familiar with the detailed operation, and these matters of general policy and general operation are perhaps of more benefit here.

This is a statement which appears in the investigators' report elsewhere:

> The national soil-conservation program as currently administered by the United States Department is permeated with duplication, overlap, conflict, and lack of coordination, and what has been aptly described as a state of "civil war" exists in many areas between the Extension Service, the Agricultural Conservation Program Branch of the Production and Marketing Administration, Soil Conservation Service, and Farmers Home Administration. All of these bureaus, with the exception of FHA, are competing for control of this program due to the rising importance of conservation in the national economy—and service to the American farmers suffers. This situation was found to exist in the majority of the States and counties visited.

Now, these investigators were picked from other agencies having no connection with and no interest in this problem. They visited 13 States and 48 counties in those States, and this is the report that they came back with.

For instance, they had a disagreement in one county over the organization of a new soil conservation district. The investigation disclosed that the Extension Service got out a circular against the organization of it—I mean, people in the Extension Service. It was not an official action of the Extension Department. It is as follows:

FARMERS—FARM OWNERS: STOP, LOOK, LISTEN

Do you remember—
1. When Henry Wallace drowned all the little pigs?
2. When Henry Wallace made us get permits to sell our wheat?

He also got the pet idea about us using soil districts.

What may a soil district bring to Perry County:
1. Two to five high-priced white collar men working in the county.
2. Higher taxes.
3. Centralized Washington control.
4. Dictatorship, bureaucratic control.
5. Strangle free enterprise:

(*a*) Force local contractors out of business.
(*b*) Kill individual initiative on the farm.

And it goes on and on.

The report continues:

Critics of SCS in the Extension Service state that the SCS has introduced a far-reaching program in a flamboyant manner, which has created animosities among other USDA agencies.

In one State, the Extension director put on a land school program to teach 4–H Club boys as well as farmers how to analyze their soil to determine what was needed so that they could intelligently begin a conservation program. He went to the SCS and PMS for their cooperation. They indicated they were not interested, stating they got their instructions from "top side." He asked a Washington SCS official if an SCS employee in that State could assist in the meeting. He was told "No; our men have to work for a living."

Extension Service officials state that in many instances SCS personnel have refused to cooperate with them in educational and informational programs in explaining soil conservation to the farmers. For example, one Extension director held a meeting of 500 landowners to acquaint them with the seriousness of the conservation problem in the black-land area of his State. The State Extension director was the first speaker who was followed by the Chief of SCS from Washington. The Chief of the Soil Conservation Service completely ignored the comments of the State Extension director and left the impression with the audience and the press that nothing worthwhile had been done in the field of soil conservation until SCS was established. This created much resentment in this State.

A further criticism by Extension Service officials is that SCS personnel use high-pressure tactics in forcing farmers to become members of soil conservation districts.

An Extension director was told by farmers in one area that they were being whipped into line by SCS. They stated they had been told that if they did not sign up for the complete farm plan, "it will be only about 5 years until you will have to do this whether you want to or not."

In the field of soil conservation the confusion of the American farmer is further compounded by the role currently played by the agricultural conservation program of PMA, and to a lesser degree by FHA. In all of the States visited, it was discovered that personnel of the four previously named bureaus are vigorously competing with each other in the field by making farm plans, laying out terraces, drainage ditches, pond sites, and contour lines. Bureaus are unwilling to accept the estimates or advice of other bureaus with the result that many farmers receive conflicting advice from four sources regarding the application of conservation measures to their farms. All four bureaus give technical advice although the Extension Service and PMA admit that their personnel are not technically qualified in the land engineering phases of soil conservation. The reason advanced by employees of these bureaus in the field was that they were prohibited by higher authority from accepting the estimates of any other USDA agency.

Typical of the current conflict between SCS and PMA, the following are the chronological events which normally happen when a farmer builds terraces on his farm:

1. He will come to the office of the Extension Service and request advice. The Extension Service will refer the farmer to the local PMA office.
2. The local PMA office will advise the farmer as to whether or not funds are available to pay for this conservation practice and if such funds are available, the farmer is advised that a PMA representative will be sent to inspect the area on his farm which he desires terraced. After inspection and approval by a PMA representative, the farmer may then go to the local office of SCS.
3. At the SCS office the farmer is advised that no terracing work can be done on his farm by the SCS until a land utilization survey has been made and a farm plan developed. After the development of such a plan, SCS will then send technical representatives to the farm to stake out the necessary contour lines.
4. The farmer then must recontact PMA, who sends another representative to the farm to measure the lines staked out by SCS and issue a formal permit before construction of the terraces is begun.

Incidentally, I have had numerous cases where the PMA would not pay for work because they did not approve the plan at the time the work was done, even though it was within the announced practices and was set up by a soil conservation engineer.

5. SCS then advises and assists in the actual construction of the terraces.
6. The farmer must again contact PMA, who sends another representative to the farm to check the job and certify it for payment.

Some additional examples of what may happen in this involved process are:

(*a*) In item No. 1, the Extension Service may endeavor to sell the farmer the idea that the county Extension agent is prepared to do everything which the farmer desires quicker and at less cost to him. Also, the farmer may for the first time discover that the standards covering conservation practices differ widely among the various USDA agencies. For example, in one State, SCS requires grass to be planted before water is turned into a terrace outlet while PMA will pay for this conservation practice when it is only indicated that such planting will be made at a later date. In another State, SCS recommends the use of Reed's canary grass on grass waterways whereas the Extension Service says it cannot be successfully used.

(*b*) In item No. 2, PMA may try to obligate the farmer to allow PMA to do all the layout work by telling him that technically trained SCS personnel are not familiar with local conditions whereas their farmer committeemen, though not technically trained, have a wealth of practical experience and can do a better job. In one county in California where farmers had accepted PMA layout assistance, although the rainfall in that area at the time was below normal, 6 out of 80 dams constructed by PMA are known to have washed out due to improper design and construction and are currently being rebuilt by the Federal Government. However, it is understood that if payment had been made by PMA at the time the six dams washed out, that the total expense of rebuilding the dams would have been borne by the farmers.

PMA officials may also state that the SCS farm plan is impractical, full of hidden obligations, is unnecessary and in addition, PMA and not SCS is paying a portion of the cost. The farmer may also be told that SCS will not provide technical assistance until a detailed soil analysis, land capability maps and a complete farm plan have been prepared, which will require approximately six months and which he will never use; that SCS is inclined to be perfectionist in its attitude and can serve only a small percentage of the farms in the county each year; that the SCS 5-year plan is impractical of accomplishment due to changing local conditions and the farmer's financial limitations; and that since the farmer's problems are immediate, the time required to obtain the SCS services in most instances is too long under the present priority system.

(*c*) In Item No. 3, PMA officials can, and sometimes do, declare the SCS layouts incorrect, sometimes remodel and change the system and sometimes disapprove the layout completely because of difference in standards promulgated by higher authority.

(*d*) In item No. 6, PMA also has authority not only to disapprove the complete job but to refuse payment, thus causing more grief to both the farmer and SCS. PMA officials stated that as long as they are held accountable for the expenditure of funds they will continue to refuse payments for SCS projects which do not meet PMA standards.

One of the greatest criticisms of SCS voiced was that this agency at present can service only a small percentage of the farms in the United States each year and that a rigid priority system has been established by this agency which makes it impossible for the farmer who desires only to have a pond site laid out or a small terracing job done to secure the technical assistance of SCS. Both the Extension Service and PMA have stated that due to the above facts, they have been forced into the field of soil conservation by the default of SCS in order to help the small farmer. This criticism is especially true in the case of the small farmer and was given by FHA as the reason it required agricultural engineers on its regional staff.

The greatest criticism of the PMA conservation program as currently administered is that it does not result in the adoption of complete and balanced farm conservation programs. Conservation payments generally are made to farmers on a year-to-year basis without regard to the farmer having improved his over-all soil-handling practices or having tied those practices to a total farm plan and to a time schedule for the completion of the plan. It was also noted that the changing of approved practices yearly has proven extremely confusing to the farmer. As an example, in one State in 1949 the construction of manure pits was an approved practice. In 1950 it was not approved by PMA. An FHA official stated that a young veteran had applied for a loan to FHA for the purpose of constructing a manure pit on his farm, stating that PMA would pay a portion of the cost. By the time the loan had been approved the practice was no longer sanctioned by PMA and the veteran was unable to carry out this needed construction.

In many conversations with PMA, SCS, and the Extension Service representatives at the county level, it was frankly admitted that credit for all conservation practices (i. e., tons of lime applied, number of feet of terraces constructed, number of acres of permanent pasture established, etc.) was claimed by each bureau in its annual report. In one county the PMA chairman stated that prior to the preparation of his annual report he "got together" with the county extension agent and the Soil Conservation Service representative and compared notes to be certain that all conservation work done in the county would be contained in each report. As this employee stated it, "We each shoot like hell and claim everything that hits the ground."

Now, we recognize that in many sections—my own State, for instance—you have full harmony between the individuals in the various services. A splendid job has been done in many areas of the country. However, we get many complaints from farmers along the lines of this, and here are 4 investigators, trained men, who went to 48 counties in 13 States, and apparently there is enough dissension between these services for them to find it.

I mention this because it does show you what is happening, and what the Secretary, I presume, is trying to correct in his order.

Certainly we should get full benefit from every dollar that the Government appropriates to help the farmer meet his conservation

needs—the farmer putting up a dollar of his own money plus about an equal amount of labor. We have reached the point where this Congress and the Nation are not going to stand for such appropriations unless you can show them results for the dollars spent.

This report goes on and on, much the same way, showing that each service announces its aim. It would be hard to tell which announcement you were reading; they are so similar. Those of us on this committee are familiar with the distinction between these action agencies and the Extension Service. But it might surprise you to know that the average Member of Congress doesn't have a clear understanding of this. And back at the county level, the farmers, unless they have worked in one or the other, still do not know the difference in many cases.

Copies of this will be made available to you, and I hope that real attention will be given to it, because these complaints come from disinterested sources, over 13 States, which is wide enough so that you cannot say it is just a particular locality. And further, these representatives say that a majority of the places they visited showed this situation to exist.

Can this committee count on full cooperation in an effort to coordinate these activities?

Mr. TRIGG. Mr. Chairman, as I have said, we worked on the Secretary's program that he announced the other day, and we participated in it as objectively as we knew how. All that I am interested in, the same as this committee, is getting the most from each dollar appropriated that we can get.

I sincerely think that the way to get these farm programs administered is by people who are elected by farmers under this elected committee system. It is much better to have that type of system of administration than to have full-time Federal employees.

Mr. ANDERSEN. Mr. Trigg, on that point, the fact that these committees are elective is the basis, I think, of the popularity of the whole program.

Mr. TRIGG. I do, too, Mr. Andersen. I think that you could not administer it satisfactorily any other way. And I can say this without any prejudice, because I had nothing to do with the establishment of this committee system. It was established a long time before I came to the Department of Agriculture. But I can certainly see, as the Administrator of the PMA, the worth-while part that the committee system plays in this thing. I would hesitate; I would frankly be a little alarmed even to try to administer the program that we do, not only on conservation but other things, with anyone except the kind of people we have down at the local level.

Mr. WHITTEN. The Secretary's order preserves that committee system, does it not?

Mr. TRIGG. Yes.

Mr. HORAN. May I comment right there, however, I do not think you meant what you said. The inference I got was that you deny the responsibility. Your statement is a little bit conflicting there. First you said you wanted to get the most out of the dollar appropriated; then you said you did not want to interfere with the county-level operations of PMA. And yet the Secretary's order does move in the direction of reorganizing at the county level. And I am very happy about what I think is the initial intent of the Secretary's order. I

am a little disturbed because you did make the PMA chairman boss man, but you did not say so.

Mr. TRIGG. Mr. Horan, let me say first that if I said we want to get the most conservation out of every dollar appropriated and yet we did not want to do anything in the way of county committees, I did not mean to say that or infer that. Of course, any administrative group at the county level has to have coordinated direction from the top, because this money that is appropriated comes down through the top and is spread out, of course, to the States.

Mr. HORAN. But are you not headed there for the same pitfall eventually that you got into when we moved into the county set-up that existed prior to the setting up of PMA and soil conservation districts, and so forth, where the county agents had, ever since the inception of the Extension Service, been looked to by the farmers of the counties as the person to go to, and then you had asked the county agents to assist in getting these other programs started, and eventually we moved in the direction where other than the county agent became, at least nominally, in the eyes of a lot of people, the man to go to, rather than the county agent? Friction has developed out of that, it is very obvious. We would not have had that handbill that the chairman mentioned if we had not moved in that direction.

Now, in the Secretary's reorganization at the county level, it seems to me that a clear statement should come from you as to who is head man and whether or not he is going to remain there. In any event, we are going to have something to work out there, and it is going to have friction developed in some cases.

Mr. TRIGG. No. 1, I think that the county agent has always had an important part in this picture, and still has, as far as that is concerned. But my experience is that most county agents are just one person. He is the county agent. And the farmer depends upon the county agent a lot of times for his technical knowledge, education, and a lot of other things. The program is much bigger than one person, that is, considering the agricultural conservation program, the price support program, the program that SCS carries out, and the program that the Extension Service carries out, I do not think any one person could do it.

Mr. HORAN. Is that not all the more reason for having a well organized county-level set-up?

Mr. TRIGG. Surely. I understood you to say that you did not agree with the idea that the PMA man in the county would be the top man.

Mr. HORAN. No; I did not say that. I said that you have made him head man in the sense that he is to initiate the getting together. Is that not the way you understood it, Mr. Chairman?

Mr. WHITTEN. Yes.

Mr. HORAN. I think he was really head man, because he was to bring the rest of them together.

Mr. WHITTEN. The Secretary's statement was that he is the one official that could be found in every county in the United States. Another reason given was that the Extension Service is not under the direction of the Department of Agriculture. Whether or not some modification could be made so that he could be called on, that is a possibility. But I believe the Secretary's statement was that it had

to be between the other officials due to the fact that he did not have the authority to direct the extension agent.

Mr. HORAN. I hope this happens: I hope that the proposals that you have issued will be kept sufficiently fluid so that discussion and consideration will be had, but that stalemates still will not result from it. The PMA chairman is made responsible for calling the meeting together. He also has additional inferred responsibility, that if agreement cannot be reached, he apparently is to report to the State PMA chairman, and if he cannot dissolve the differences, then the State chairman is to report to the Under Secretary of Agriculture, whose duty is set forth quite clearly to go out and resolve these difficulties at the county level.

So while apparently an attempt has been made to avoid the naming of any one of the three litigants as the top man, actually the PMA chairman has been made that.

Mr. TRIGG. I think it is his responsibility, certainly, Mr. Horan, to call the meeting together—there is no doubt about that—and he will attempt to iron out any difficulties that are presented.

I might ask you this question: Are you confusing, or am I confusing, the issue of the responsibility of coordinating these offices and the work that is to be done on conservation with the so-called mobilization committee in the county? Clearly the chairman of our county committee is the chairman of that mobilization committee.

Mr. HORAN. I did not specify any particular activity. I asked the chairman—or the Secretary, when we conferred with him—as to who was to be held responsible for this administration. And I asked him what would happen if agreement could not be reached.

Mr. TRIGG. I think you are perfectly right in your analysis of it. If there is disagreement between the agencies, naturally it would come on up through channels until it reaches the Assistant Secretary. But that is where it would go anyway.

But I think that the really important thing to do is to find a way in this where the technical phases of this program can be clearly the responsibility of the Soil Conservation Service. That is what is intended here.

Mr. HORAN. As I understand, Mr. Chairman—you will pardon me, because I am merely interpreting this as I read it—I think there was an attempt made to have the county agent the educational and the initiatory agent in the county. An attempt was made to redefine the areas in which Soil Conservation should work, and the fact that they should furnish the technical assistance. An attempt was made to have the PMA committees the over-all managers of the Federal programs at the county level.

Mr. TRIGG. I would assume that for the reasons specified by the chairman a minute ago in connection with the county agent, the county agent does not come into this, actually—into any part of this reorganization. No. 1 is that they are part and parcel of an organization which is not under the direct control of the Department of Agriculture.

Mr. HORAN. I would have to review that.

Mr. MANWARING. Except as he becomes a member of that reorganization committee, with respect to the defense effort, Mr. Horan.

Mr. HORAN. That again is something with respect to which this proposal should be left fluid, until we find out how that develops.

Mr. TRIGG. But let me say to this committee, Mr. Chairman, that I am more anxious than anybody that there be complete cooperation and harmony among these agencies in the Department of Agriculture. I do not relish having a report made on the SCS or PMA or any other agency of Agriculture such as the one you read there.

Mr. WHITTEN. What disturbs me is not the release of the report. What disturbs me is the factual basis for the report. In spite of our efforts through the years and our insistence on coordination of this work, four people not even connected with the Department of Agriculture can come up with this picture. These complaints do not come from consumers' groups nor from Members of Congress, but from farmers.

Someone has indicated that this is not at all popular due to the feelings of various folks in various agencies. But, after all, the purpose of all this soil conservation program, and the only purpose, is to get the farmers to conserve their soil. And we should do it with a minimum of expense and a maximum of production and at as small inconvenience to the farmer as possible, because the less his inconvenience, the more he is willing to participate and spend his own money and time to do it.

We have had a number of instances like this called to our attention. Then when you send investigators out and they say that in a majority of these 48 counties in 13 States, this condition exists, it is time to make some change, Mr. Trigg. Now, whether the Secretary's order reaches this problem or not, I do not know.

It does not help much if you come out with your announcement that you will help the farmer pay for terraces and drainage ditches, when he goes and gets a soil conservation engineer to lay it out and spends his time and money, and you say, first, "We are not going to pay you because we did not approve it in advance;" then you say, "Even then we will not pay you unless we send a layman out there to check on whether this engineer knew what he was doing when he laid it out."

Now, those kind of things happen. I thought they were exceptions. But this report would indicate that it is the usual situation in a majority of these counties that they investigated.

Mr. TRIGG. I do not disagree with the report at all. Probably in the counties that they investigated, they found these things.

Mr. WHITTEN. They just took them as they came to them.

Mr. TRIGG. A person reading that would wonder how they ever get any conservation work done. But there are 3,000 counties——

Mr. WHITTEN. Now, the report starts off by saying—and I think that this should be considered by all of us—that a virtual civil war exists in many of the counties at the local level between these agencies. So if a condition of civil war exists, it may be that a little bias prevailed with regard to the people contacted. But that of itself shows that at least there is not full harmony there if they would exaggerate a little on the other agency.

Mr. TRIGG. That is the first time I ever heard the words "civil war" used in the relationship between these agencies, and I cannot believe that it is quite as bad as they bring out.

Mr. WHITTEN. The report describes what is meant by that. It says that soil conservation is getting to be a big thing in the Department of Agriculture, and the desire to take hold of the big end of the

stick exists. That should not be new to you. You are aware of that. PMA does not want soil conservation put ahead of it; does it?

Mr. TRIGG. Surely not; of course not.

Mr. WHITTEN. You know that Soil Conservation Service does not want you to be put ahead of them, either; do you not?

Mr. TRIGG. I would say, "Yes, that is true."

Mr. WHITTEN. That feeling exists from top to bottom, and that is what makes it hard to put them together and work out a coordinated effort.

Mr. TRIGG. But I would say, Mr. Chairman, that if a system could be devised whereby the administration at the local level can be worked out where this whole program would be administered by an elected committee system, so far as I am concerned I am not too concerned as to where the ACP program lies in Washington. It could all be transferred to the Soil Conservation Service if deemed advisable.

Mr. WHITTEN. You know, folks are always slow to differ with the PMA, because you have three committeemen that work with each committee in the United States, and that is a pretty vocal power for a political force. But it is not going to keep me from saying that the weakness that they point out here with regard to PMA has some basis in fact. One weakness is that you have a year-to-year program. Another is that, with regard to the strength of the local committees, they are likely to approve programs that are of interest to the local farmers, which means that there are things that they want to do anyway, and they do not necessarily fit into a plan of eventually meeting the soil conservation need of any given area.

Mr. TRIGG. We have tried to eliminate a lot of those local practices, Mr. Chairman. And the one that you read in this report about the manure pits out in California is the one that we eliminated because of its adaptability there and nowhere else. We did think it desirable to eliminate it, and yet we get criticized for it.

Mr. WHITTEN. I am not accepting all the statements that were made here. But I mean that when an investigation comes up with this much, it is time for you and me and others to take stock of what changes we can make to correct this kind of thing.

Mr. TRIGG. I hope that out of this reorganization that the Secretary has announced, something will come about so that you can fix the responsibility for the PMA program and they and SCS can go about doing their work in a coordinated way.

Mr. WHITTEN. Now, I discussed with you, and I was completely surprised by it, that under your local committee system the tendency is to approve practices that the local farmer wants to do, which means that in some instances maybe he is already doing it. But the thing that disturbed me most was that I found you had no policy, or at least it had not gotten to the local level, requiring a regular employee to make any effort to get the farmer to carry out any soil-conservation practice other than through your general announcement of practices. Nor does he make calls on any farm that might have the worst kind of erosion problem. It is not part of his duties to get the program on farms that might have been outside of the program from the beginning. The money is sent to the county, the announcement is made, and the funds run out before the job is done, which, of course, means that the money is paid to those that come in first. And the ones that come in first frequently are the ones that need it least.

I do believe that an immediate change is needed there to require your full-time employees to meet your soil problems by trying to get as much as he can in those places which need it the worst.

Mr. TRIGG. Mr. Chairman, since you talked to me about it, we have developed a procedure which is going out on that very point, and I think that it will further do what we should have been doing, or what I thought we were doiig to some extent, anyway.

Mr. WHITTEN. I hope you will give us a report next year as to how many new farms were enlisted in the program.

Mr. TRIGG. That I am going to get.

Mr. WHITTEN. If you will get that report out of your local counties, that will begin to show up and we will get busy on it.

The Department of Agriculture does not have any stronger believers than the men sitting here on this committee. And the PMA and soil conservation has no better friends in Congress than the members of this committee. But being friends of the activity certainly leads us to want to do everything we can it retain it, to improve it. I have said many times that you still have an antagonism between the farmer and the consumer and others, but the consumers' supply of food goes right back to the fertility of the soil, and the people in this country have wasted it worse than the people in any other country in the world for the same length of time. You can check the countries that are in such bad shape today, economically, such as China, India, and behind it is a depleted soil structure.

If we continue to let this thing go down over here, many of the very consumers that are working in factories now are going to have to go back to the farm to make an actual living.

There is no point in my addressing you. But in order to put our interest on the record, I want to show that we recognize that this thing has to be done. There are two ways to do it. One is to follow the Hitler course, of making the farmer do it, and you cannot make farmers do that very satisfactorily, even if you try that. The other way is for the Federal Government's to help to bring about these changes by putting up about a third of the cost.

Mr. HORAN. Mr. Chairman, before we leave this, I want to go back to this other factor. I do not think there is a county in the States that is more highly organized than my home county of Chelan in the State of Washington. We have soil conservation. I think by and large we have followed fairly decent practices for a long while. We cannot terrace. Most of it is orchard land. Most of it is irrigated, a lot of it with sprinklers. On our 100-acre ranch, we have at least 10 miles of piping, spray, irrigation, and drainage.

So soil conservation is not necessarily the largest thing that we have there. We have talked at times of sanitation districts to require our neighbors to spray. During the depression we had a lot of trouble with what we called pest orchards, and in some instances the State eventually had to move in and spray them or not have a crop. We have had a county agent there since the inception of the program, or shortly thereafter.

Of course, I am interested in a one-stop service. I am fearful that this course—and I have tried to point that out—may overemphasize the position of whoever has charge of the soil-conservation work. By and large, most of my neighbors out there do not have to be told about taking care of their soil. If they can get fertilizer, by and

large most of them do that within the concepts of how to handle orchard land, cover crops, and keeping the equipment off at certain times when erosion might be entailed, or the loss of water through capillary attraction.

I am afraid that putting out this order may be confused with what are the over-all intentions of a well-organized county as far as Federal and State services are concerned.

One of the big activities in my home county is the activity of the Federal-State inspection service. We cannot ship an apple out of the State of Washington without a certification, before you can get a bill of lading on a car. And that is an activity that is very intense, too.

I hope—and this is what I wanted to point out—that in evaluating anything that comes out of this, the chance for an over-all county council of some sort will not be overlooked. And that was, of course, the gist of the Hoover Commission report. Our county probably has as many people who work in the white-collar class as advisers and assistants, not only Federal people, but who work for spray companies, and so forth, and all of that should be considered, I think.

Mr. TRIGG. It is not going to be any better in any of these organizations than the people that are in them, as far as that is concerned, and their willingness to cooperate and get along. I think basically the people of the Department of Agriculture have the farmer at heart. I think they all realize what their job is. You get differences of opinion as to how things ought to be done, but we have exercised every bit of power and energy and ingenuity and effort that we know how in PMA to do the job we are to do and are charged with doing, and cooperate in every way possible with all of these other agencies.

I think today, if I do say so myself, the relationship between PMA and all the other agencies in the Department of Agriculture is better than it has ever been. And I do not take credit for myself for it. I take credit for the whole staff of PMA in making a determined effort to make it work in that way.

Mr. HORAN. I imagine that the committee that has the most power in Chelan County, and has equal power, if not more than PMA, is our land-use and planning committee. It is unknown in the areas of most of the members of this subcommittee. Of course, the PMA committee is not too well known in my county.

Mr. TRIGG. I realize full well the friends that the people on this committee have been to agriculture, both individually and collectively, and how you have helped me individually and collectively in doing the job that we have to do down there, and I hope you will continue to criticize me on and off the record when you think that we are not doing the proper thing or what we ought to be doing. I am not perfect, and nobody in PMA is perfect, nor in the administration. We are only trying to do the best job we know how.

Mr. WHITTEN. Mr. Trigg, I want the record to show here that this is no attack on you or on the Production and Marketing Administration. The same line of discussion was had with the Secretary. It will be had with the Soil Conservation Service and with the Extension Service.

I think, just looking the thing over, that much of this arises from the nature of the system. We are just trying to seek ways and means of doing a better job, and recognizing some of the places that we are

not covering as well as we would like, is one of the ways to find out how to correct those things.

It goes back to the system. Someone has said you never had a teachers' college that did not want to become a university, to teach all courses. Now, with regard to the Department, the tendency of the Soil Conservation Service is to be complete in itself. They would like to make these payments toward the cost of things that they may have approved in accordance with their plan. The Extension Service, since soil conservation has become such a big thing, would like to have these folks under them. PMA would like to get their own technical advisers, so that they would be complete in themselves.

Now, there is one place that it ought to be complete, and that is the United States Department of Agriculture. But instead of each agency under it trying to be a complete unit, there should be better coordination, letting each agency do that which it is best fitted to do.

Mr. TRIGG. I think if we can consider the Soil Conservation Service as the engineering group in this, the scientific side of it, so to speak—call them whatever you want—but let it be generally a bureau of engineering or whatever it might be from the standpoint of actual operations, and we can get rid of any of the technical work that we are doing, and from our standpoint we will be much better off, and we are glad to do it. I think frankly that they are going to have to have a lot more personnel to do some of the things that will be required in the way of improving technical practices unless their approach is modified somewhat. But I think we ought to make that break, and then we ought to see how it operates.

Mr. WHITTEN. If they start doing those technical practices, it might point up the need for a change in their approach. Their approach has been that they are going back to each farm and break it down in such detail that they will never get around to the farms. And to do this type of work on the broad scope of PMA work may be the thing that they need, the shot in the arm, to keep them from doing what this report shows they are doing.

Mr. MANWARING. That was the way our group got into this work, Mr. Whitten, because there were some farmers that wanted some help, but could not get the service. And so we said, "Well, maybe we can train somebody to help them." So they are taking on these less scientific practices and giving them some help with them.

Mr. WHITTEN. This report is just as critical of the SCS as it is of the PMA. It is critical of the system rather than of the agency.

Mr. HORAN. Who will have to have more personnel?

Mr. TRIGG. I think the Soil Conservation Service will, in the case of technical work unless it modifies its approach. There is not any doubt about that, Mr. Horan.

Mr. WHITTEN. Is there anything further, Mr. Horan?

Mr. HORAN. Yes.

Right along that line, I notice here:

> It shall be the policy of the Department to invite county agents or representatives of State agricultural agencies to locate in such single county offices wherever possible.

I want again to say that I want you to watch this very closely and see what happens. We ran into the same thing in our OFAR agents in foreign countries where they were moving into the same

office with foreign agricultural attachés. There may be friction there, and I do not think this order is the last order that is going to come out in trying to create order at the county level as far as State, county, and Federal services to our farmers are concerned; and the objectives that you have in mind will entail, as you have said, the highest quality of cooperation. But sooner or later, somebody is going to have to be the boss man at the county level, and he is going to have to be understood as such. He may not be in either PMA or Soil Conservation Service.

There again, I hope the farmers of America will take a constructive look at this and decide for themselves how they want their county one-stop service organized.

Mr. ANDERSEN. Mr. Trigg, on that subject, what steps are being taken in line with this memorandum to furnish the physical structures for the combination of these various agencies? Would it require a new building in each county seat?

Mr. TRIGG. I cannot answer that categorically, Mr. Andersen, but I assume in many county seats it will require additional space. I think that can be said across the board almost, and at the State level it will require additional space, or it will require moving from one town in a county over to another town in one of the other agencies. It will also require the same thing in the State.

There is not only the question of having to provide additional space, but there is also the question of having to take into consideration present facilities, present leases, and those sorts of things, that were already mentioned.

Mr. ANDERSEN. In my district, these offices are mostly located in the courthouses, and due to the sufferance, you might say, of the county officials.

Mr. TRIGG. I think that is correct in most instances.

Mr. ANDERSEN. And from the recollection of my small county seats, I do not see where you can get the space in present existing buildings.

Mr. WHITTEN. If you have them in the courthouse, that in itself is a centralization, although they might be in different offices.

Mr. ANDERSEN. Still, there are many courthouses that do not have sufficient room at present, at least, for any further granting of space to any employees who might be outside of that courthouse, Mr. Chairman.

Mr. WHITTEN. I have never objected to overlap of services. I do not think it hurts for either one of these services to help the other services out. It is when they hire extra help to do the job that you already have someone being paid to do, that these problems arise. I know, Mr. Trigg, that you have tried very hard to make this thing work from the start and we just hope that not only yourself but PMA, Soil Conservation, and Extension Service will make every effort to make the plan work. If it cannot work under this new order, we hope that we can find ways to modify it and prevail upon the Secretary to make proper modifications.

The only purpose is to get the maximum service for the money spent. And we feel sure we will have your help in regard to that.

SUGAR ACT PROGRAM

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$60,000,000	$63,750,000	$73,300,000
Transferred to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1392	−729,260	−730,000	−730,000
"Local administration, sec. 388, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1388	−385,000	−345,000	−345,000
Adjusted appropriation or estimate	58,885,740	62,675,000	72,225,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Payments to sugar producers:			
Continental beet area	$25,186,204	$34,212,500	$31,478,400
Continental cane area	6,932,462	8,845,410	7,587,000
Offshore cane area	26,395,890	19,192,090	32,689,600
2. Operating expenses	1,485,444	1,500,000	1,545,000
Total	60,000,000	63,750,000	73,300,000
Adjustment (itemized in funds available statement above)	−1,114,260	−1,075,000	−1,075,000
Total obligations	58,885,740	62,675,000	72,225,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	64	66	66
Average number of all employees	59	63	63
01 Personal services:			
Permanent positions	$305,221	$354,050	$354,050
Regular pay in excess of 52-week base	1,319		1,360
Total personal services	306,540	354,050	355,410
02 Travel	42,937	40,400	40,400
03 Transportation of things	4,060	3,800	3,800
04 Communication services	4,819	6,860	6,860
05 Rents and utility services	100	120	120
06 Printing and reproduction	2,157	5,490	5,490
07 Other contractual services	2,127	2,920	2,920
Services performed by other agencies	2,250	4,500	49,500
08 Supplies and materials	1,694	4,160	2,700
09 Equipment	4,500	2,600	2,600
11 Grants, subsidies, and contributions	58,514,556	62,250,000	71,755,000
15 Taxes and assessments		100	200
Total obligations	58,885,740	62,675,000	72,225,000

Mr. WHITTEN. Coming now to the Sugar Act, we would like to insert pages 102, 103, and 104 of volume 2 of the justifications.

(The material referred to is as follows:)

PURPOSE STATEMENT

The principal objective of the sugar program, carried out under the Sugar Act of 1948, is to protect the welfare of domestic producers and consumers of sugar. The attainment of this objective involves the determination of United States consumption requirements, the administration of quotas to regulate imports of sugar produced in foreign areas and marketings of sugar produced in domestic areas, and the making of payments to domestic producers of sugar beets and sugarcane.

The continental United States produces sugar from both sugar beets and sugarcane. Additional quantities of sugar are produced from sugarcane in Hawaii, Puerto Rico, and the Virgin Islands. The domestic sugar output, produced at a higher cost per unit than in foreign areas, falls far short of meeting the Nation's requirements. To meet total needs, the United States must import substantial quantities of sugar from foreign areas, mainly from Cuba and the Philippines.

If unlimited quantities of sugar were permitted entry into the continental United States from Cuba, the Philippines, and other foreign areas, prices to domestic consumers under ordinary circumstances could be expected to be slightly lower. However, under the present wage standards in domestic producing areas, unlimited imports (unless accompanied by a substantially higher tariff) would place domestic producers in an extremely difficult, if not impossible, competitive position, or would force drastic wage reductions on domestic workers. Moreover, planting of other crops is not feasible in most of the domestic sugar-producing areas and the economy of these areas is dependent on sugar-producing crops.

Quotas.—The Sugar Act of 1948 provides the quota system for balancing supply with demand. Under quotas, the Secretary of Agriculture, as authorized by the act, determines at the end of each calendar year the consumption requirements of the continental United States for the coming year. This determination is not necessarily final, however; it may be changed later as actual consumption requirements change. For example, in December 1949 it was determined that 1950 requirements would be 7,500,000 short tons of sugar, raw value. This quantity was increased to 7,850,000 tons on July 13, 1950, and to 8,700,000 tons on August 23, 1950.

Basic quotas for the five domestic producing areas—domestic beet, mainland cane, Hawaii, Puerto Rico, and the Virgin Islands—total 4,268,000 tons and for the Philippines, 982,000 tons. Additional imports to meet requirements are apportioned on the basis of 98.64 percent to Cuba and 1.36 percent to a group of other foreign countries.

Production adjustment.—The act provides that if production in any area will be greater than the quantities necessary to fill quotas and provide a normal carryover inventory, restrictive proportionate shares, expressed in acres or sugar, shall be established. A restrictive program is designed to result in the production of sugar to meet the quota and provide a normal carryover for the area. The quota for the area is divided among individual growers, and as one of the conditions for payments, production must not exceed the proportionate share.

Payments.—Domestic producers of sugar beets receive conditional payments averaging about $2.50 per ton of beets. For producers of sugarcane the payments within the various domestic producing areas range from about 80 cents to $1.50 per ton of cane. The Sugar Act, in turn, imposes a special tax of 50 cents per hundredweight of sugar, raw value, on all manufactured sugar from sugar beets or sugarcane either produced in or brought into the continental United States.

Revenue.—From the inception of the program in the 1938 fiscal year through the 1950 fiscal year, $837,320,968 sugar taxes have been collected and expenditures were $668,830,620.

Appropriated funds

Appropriated 1951	$63,750,000
Budget estimate, 1952	73,300,000

Sugar Act program

Appropriation act, 1951 and base for 1952	$63,750,000
Budget estimate, 1952	73,300,000
Increase	+9,550,000

Summary of increases, 1952

For conditional payments to sugar growers, 1950 and 1951 crop	+9,505,000
For operating expenses to conduct a survey of the supplies of sugar to be used in connection with consumption requirements determination	+45,000

Project statement

Project	1950	1951 (estimated)	Increases or decreases	1952 (estimated)
1. Payments to sugar producers:				
(a) Continental beet area	$25,186,204	$34,212,500	−$2,734,100	$31,478,400
(b) Continental cane area	6,932,462	8,845,410	−1,258,410	7,587,000
(c) Offshore cane area	26,395,890	19,192,090	+13,497,510	32,689,600
Total payments	58,514,556	62,250,000	+9,505,000	71,755,000
2. Operating expenses	1,485,444	1,500,000	+45,000	1,545,000
Total appropriation or estimate	60,000,000	63,750,000	+9,550,000	73,300,000

Mr. WHITTEN. Increased payments to growers are listed at $9,905,000 and operating expenses are $45,000. You just said the latter item was for the purpose of making this survey. The administrative expenses you say will be about the same. I think we are all familiar with that program.

You anticipate that the amounts required for the sugar program will be some little bit ahead of what it was for the past year, do you not?

Mr. TRIGG. Yes, sir.

Mr. WHITTEN. These payments are fixed by the basic law, and not a matter over which you have control?

Mr. TRIGG. That is correct, sir.

Mr. HORAN. That is all statutory, is it not?

Mr. WHITTEN. Yes.

Mr. HORAN. If we get the sugar, that is all we can expect from that.

Mr. WHITTEN. In connection with the Sugar Act, perhaps we had better insert the table on the bottom of page 113, under the heading "Excise Tax." It shows your comparisons between collections and obligations.

(The table referred to is as follows:)

EXCISE TAX

An excise tax imposed on sugar manufactured in the United States more than offsets the expenditures for the sugar program.

The following statement shows the taxes collected compared with obligations under the sugar program.

Fiscal year	Sugar tax collections	Total obligations	Fiscal year	Sugar tax collections	Total obligations
1938	$30,569,130	$22,074,400	1947	$59,151,922	$53,343,569
1939	65,414,058	52,460,654	1948	71,246,834	54,794,413
1940	68,145,358	47,212,400	1949	76,174,356	71,924,278
1941	74,834,839	47,677,678	1950	71,188,029	60,000,000
1942	68,229,803	47,869,513	1951 (estimate)	81,000,000	63,750,000
1943	53,551,777	55,638,374	1952 (estimate)	80,000,000	73,300,000
1944	68,788,910	54,818,026			
1945	73,293,966	52,359,899	Total	998,320,968	805,641,629
1946	56,731,986	48,418,425			

NATIONAL SCHOOL LUNCH PROGRAM

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$83,500,000	$83,500,000	$83,500,000
Transferred to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1392	−86,620	−121,347	−121,347
Adjusted appropriation or estimate	83,413,380	83,378,653	83,378,653
Unobligated balance, estimated savings	−47,078		
Total direct obligations	83,366,302	83,378,653	83,378,653
REIMBURSABLE OBLIGATIONS			
Payments received from non-Federal sources	75		
Total obligations	83,366,377	83,378,653	83,378,653

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Food assistance	$81,950,579	$81,875,000	$81,875,000
2. Operating expenses	1,502,343	1,625,000	1,625,000
Total	83,452,922	83,500,000	83,500,000
Adjustments (itemized in funds available statement above)	−86,620	−121,347	−121,347
Total direct obligations	83,366,302	83,378,653	83,378,653
REIMBURSABLE OBLIGATIONS			
2. Operating expenses	75		
Total obligations	83,366,377	83,378,653	83,378,653

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	295	308	308
Full-time equivalent of all other positions	2	1	1
Average number of all employees	261	272	271
DIRECT OBLIGATIONS			
01 Personal services:			
Permanent positions	$1,136,074	$1,223,913	$1,219,240
Part-time and temporary positions	2,310	1,600	1,600
Regular pay in excess of 52-week base	4,289		4,673
Payment above basic rates	2,094	2,500	2,500
Total personal services	1,144,767	1,228,013	1,228,013
02 Travel	136,730	132,000	132,000
03 Transportation of things	4,340	6,000	6,000
04 Communication services	31,701	33,000	33,000
05 Rents and utility services	34,155	35,000	35,000
06 Printing and reproduction	20,722	22,000	22,000
07 Other contractual services	7,382	7,500	7,500
Services performed by other agencies	3,244	2,140	2,140
08 Supplies and materials	18,433	22,600	22,200
09 Equipment	14,249	15,000	15,000
11 Grants, subsidies, and contributions	81,950,579	81,875,000	81,875,000
15 Taxes and assessments		400	800
Total direct obligations	83,366,302	83,378,653	83,378,653
REIMBURSABLE OBLIGATIONS			
09 Equipment	75		
Total obligations	83,366,377	83,378,653	83,378,653

Mr. WHITTEN. We come now to the school-lunch program. I will ask that pages 114 and 115 of volume 2 of the justifications be inserted in the record at this point.

(The material referred to is as follows:)

PURPOSE STATEMENT

This program, authorized by the National School Lunch Act of June 4, 1946, is designed to (1) improve the health and well-being of the Nation's children, and (2) broaden the market for agricultural food commodities.

Federal assistance, in the form of both funds and food, is provided to States and Territories for use in serving nutritious midday meals to children attending schools of high-school grades and under. To be eligible for participation in this program schools must operate their lunchrooms on a nonprofit basis and must comply with minimum requirements set forth in the agreement entered into by the State educational agency and the United States Department of Agriculture.

Each State must submit a plan of operation for approval of the Department by July 30 of each year. Meals served must meet minimum nutritional requirements established by the Department of Agriculture. The type A or "complete" lunch furnishes one-third to one-half the daily nutritional requirements of the child; the type B meal, less adequate nutritionally, contains the same nutritional elements but in smaller quantities; and the type C meal consists of one-half pint of milk only.

Each State's share of the total funds available is determined by a formula in the National School Lunch Act which takes into account (1) the number of school children in the State, and (2) the relation of the per capita income in the United States to the per capita income in the State. The funds are paid to the States in quarterly installments and, upon submission of claims to the State agency, schools are reimbursed for a portion of the food cost of each meal served. Maximum Federal reimbursements for meals are 9 cents, 6 cents, and 2 cents for types A, B, and C meals, respectively. Lunches must be served free of charge, or at reduced prices to children who are unable to pay full cost of the lunch.

Federal funds paid to a State must be matched from sources within the State. From 1951 through 1955, States must contribute $1.50 for each Federal dollar. Beginning in 1956 States must contribute $3 for every Federal dollar.

In addition to the cash assistance, food is purchased and distributed by the Department under authority of section 6 of the National School Lunch Act. In making these purchases, consideration is given to (1) the nutritional value of the foods in order that they may assist in meeting the minimum nutritional requirements, and (2) the current market situation to insure that the food purchases represent the most economical and effective use of available funds. The national school-lunch program provides the largest single outlet for surplus commodities purchased under the authority of section 32 of the Agricultural Adjustment Act, as amended, and price support commodities under section 416 of the Agricultural Act of 1949.

Appropriated funds

Appropriated, 1951	$83, 500, 000
Budget estimate, 1952	83, 500, 000

National school-lunch program

Appropriation Act, 1951	$83, 500, 000
Budget estimate, 1952	83, 500, 000
Change	

Project statement

Project	1950	1951 (estimated)	1952 (estimated)
1. Food assistance	$81, 950, 579	$81, 875, 000	$81, 875, 000
2. Operating expenses	1, 502, 343	1, 625, 000	1, 625, 000
Unobligated balance	47, 078		
Total appropriation or estimate	83, 500, 000	83, 500, 000	83, 500, 000

Mr. WHITTEN. Do you have any general statement in connection with this that you would like to give us at this time, Mr. Trigg?

Mr. TRIGG. Mr. Chairman, I am glad to report to the committee that the national school-lunch program is bringing a well-balanced noontime lunch to an increasingly larger number of the Nation's school children.

During the last school year almost 8,000,000 children participated in the program. This was an increase of more than 10 percent over the preceding year and established a new participation record. That record has already been exceeded this school year. During November 1950, the latest month for which a final count is available, 8,665,000 children were participating. It is expected that this figure will be exceeded before the end of the year.

During the last fiscal year, $237,000,000 worth of food was used in the lunches served. Most of this food—$181,000,000 worth—was purchased by participating schools from local suppliers—retailers, wholesalers, and producers. The remaining amount was distributed to schools by the Department under the authority of section 6 of the School Lunch Act, section 32 of the act of August 24, 1935, as amended, and—in the last half of the school year—section 416 of the Agricultural Act of 1949.

Direct purchase and distribution of certain foods under section 6 again provided special benefits in 1950. As in previous years, these purchases were largely confined to protein and vitamin C foods. This purchase operation not only helped to provide schools with the foods most commonly lacking in children's diets, but, as well, effected a considerable saving through the economies of large-scale purchases.

Last year, schools provided an outlet for $38,500,000 worth of price support or surplus commodities. Through the first 6 months of this year, price support and surplus foods, valued at $25,000,000, have gone into school lunches, but this source of foods is rapidly shrinking. At the present time, only honey and apples are being distributed under the surplus removal program (sec. 32) and Irish potatoes, dried eggs, and dry milk under section 416 of the Agricultural Act of 1949.

Of the several factors making possible the growth of school lunches, the increase in State and local support has been one of the most important. Last year, contributions from State and local governments and from community groups and parents totaled $248,000,000. That contribution, which does not include moneys used to construct, and make permanent additions and repairs to school lunchrooms, was 4½ times larger than the matching required by the National School Lunch Act.

Despite the substantial growth in the program since 1946, the total amount of assistance provided has not kept pace with demands. In fact, part of the expansion already experienced has been possible only because States have reduced the per-meal rate of Federal cash assistance. In November 1950 the average rate of assistance for a type A meal was 6 cents compared with the maximum rate of 9 cents established by the Secretary. At today's prices, even the maximum rates cover only about 35 percent of the cost of the food required to serve a meal meeting our nutritional standards.

The increase in requests for Federal school-lunch assistance has resulted, in large measure, from the increase in the number of children enrolled in elementary and high schools and the increase in the num-

ber of schools with facilities to prepare and serve lunch at school. Many communities which postponed school construction projects during the last war have, in the past 2 years, built modern well-equipped buildings to meet the needs of the larger enrollment, or to replace obsolete or temporary buildings. Most of these new schools include lunchrooms. Thus, the lack of facilities, which had prevented many schools from participating in the program, is no longer a barrier. In addition, an increasingly larger number of schools, formerly operating programs only during the winter months, are now participating during the entire school year.

All of these factors have resulted in a steady year-to-year increase in requests for school-lunch assistance. For the year ahead, we can foresee no reversal in this trend. In fact, as the emergency need for labor draws more women into the labor force, it is reasonable to expect an even greater increase in the number of children eating their noonday meals at school.

The lowered rate of Federal assistance that has accompanied the growth of the program, together with the increase in operating costs, tends to force schools to raise prices charged to children. Since the basis of the program is a relatively low-cost as well as a well-balanced school meal, the Department has made every effort to forestall this trend. Assistance is provided to school-lunch operators on better management practices which will help reduce operating costs and increase the proportion of the school-lunch dollar available for food. As another part of this service, we supply information to schools on the availability and use of alternates for the higher-priced foods. We intend to give even greater emphasis to this work in succeeding months.

Mr. WHITTEN. This information is of considerable interest. I think I am going to ask that pages 116 through 122, including the two tables following, be inserted in the record at this point.

(The material referred to is as follows:)

STATUS OF PROGRAM

The school-lunch program is designed to—

1. Broaden the market for agricultural food commodities by—

(*a*) Providing an expanded market for agricultural commodities through local purchases of food by school-lunch programs in commercial channels of trade.

(*b*) Serving as a valuable outlet for agricultural commodities purchased by the Department to alleviate local and seasonal surpluses.

(*c*) Expanding the outlet for highly nutritious foods, particularly in areas of nutritional deficiencies.

(*d*) Introducing a wider variety of foods, thus creating a demand for commodities that many housewives would not otherwise buy.

2. Improve the health and well-being of the Nation's children by—

(*a*) Providing them a well-balanced lunch at school to help fill their daily nutritional requirements.

Experience indicates that children who get lunch under this program, compared with those who do not, show: (1) More rapid gain in weight and height, (2) better attendance records, (3) improvement in scholastic standing, (4) better deportment, (5) higher resistance to colds and other illnesses.

(*b*) Developing proper and nutritionally beneficial food habits which will continue in later life.

Current activity under the program includes—

1. Furnishing cash assistance to schools for food purchases by—

(*a*) Apportioning among the States and Territories a minimum of 75 percent of the total food assistance funds available on the basis of need as indicated by: (1) State per capita income compared with United States per capita income; (2) State population of children 5 to 17 years of age.

(*b*) Paying the apportioned funds to State agencies on a quarterly basis so that they can reimburse participating schools for a portion of the food cost of lunches served when the schools (1) agree to operate on a nonprofit basis; (2) serve meals meeting minimum nutritional standards prescribed by the Secretary of Agriculture; (3) offer luncheon to all children attending the school and serve it free or at reduced cost to children who are unable to pay the full cost; (4) agree to purchase commodities designated by the Secretary of Agriculture as being in abundance.

(*c*) Paying the funds directly to participating private schools in the 29 States where State laws forbid disbursement of Federal funds by State agencies to private schools. (A proportionate share of the State's total apportionment is set aside for this purpose.)

2. Furnishing food items to schools for lunch programs by—

(*a*) Purchasing foods under section 6 of the National School Lunch Act to help schools meet nutritional requirements most economically and by arranging distribution through approved State distributing agencies (1) at a total cost not to exceed 25 percent of the food assistance funds; (2) on the basis of their nutritional value and acceptability; (3) in areas where they are most needed.

(*b*) Distributing to schools through approved State distributing agencies commodities acquired under the appropriation for removal of surplus agricultural commodities (sec. 32).

(*c*) Distributing to schools, through approved State distributing agencies, commodities acquired by the Commodity Credit Corporation pursuant to section 416 of the Agricultural Act of 1949 and Public Law 471 (81st Cong.).

3. Furnishing administrative and technical assistance to State agencies and participating schools with respect to—

(*a*) Handling of funds.
(*b*) Purchase and storage of food.
(*c*) Proper use of equipment.
(*d*) Preparation and serving of meals.
(*e*) Maintenance of records and preparation of reports.

4. Making reviews and audits by—

(*a*) Annual audits of the records of State agencies administering the program and, with State agency's understanding, auditing records of selected schools.

(*b*) Comprehensive administrative analyses of State agencies' operations under the program.

(*c*) Administrative reviews in individual schools as necessary.

EXAMPLES OF RECENT PROGRESS AND TRENDS

The national school-lunch program in 1950 continued to benefit an increasing number of children. School-lunch operators purchased locally approximately $181,000,000 worth of agricultural commodities—$13,000,000 more than in 1949.

I. Extent of participation, by month, as indicated by the following table, and by State, as indicated by table I

Participation in the national school-lunch program, fiscal years 1949 and 1950, by month

Month	Number of schools		Number of children	
	Fiscal year 1949	Fiscal year 1950 (preliminary)	Fiscal year 1949	Fiscal year 1950 (preliminary)
July	1,553	1,349	125,788	137,944
August	5,521	5,043	489,540	621,398
September	34,467	40,863	5,334,145	6,538,489
October	43,262	47,722	6,455,373	7,446,455
November	47,803	51,821	[1] 6,960,169	7,802,408
December	48,874	52,781	6,895,392	7,812,068
January	49,808	53,831	6,894,979	7,813,078
February	[1] 50,226	54,157	6,941,995	[1] 7,840,250
March	50,155	[1] 54,303	6,841,638	7,734,491
April	48,606	52,428	6,402,048	7,367,239
May	42,388	47,478	5,821,289	6,833,503
June	14,352	14,752	2,222,615	2,408,144
Average, September-June	42,994	47,014	6,076,969	6,959,612

[1] Peak month.

II. Quantity and quality of meals served

A. *Quantity.*—More children in participating schools were fed nutritious lunches over a longer period of the school year judging by (1) the high participation at the outset of the school year; (2) the maintenance of this high rate throughout the school year; and (3) the increase in the total number of meals served. The total number of meals served was about 157,000,000 greater—an estimated 1,276,000,000 in 1950 as compared with about 1,119,000,000 in 1949.

B. *Quality.*—Number of complete meals served (type A) increased 22.6 percent in 1950 compared with 1949, while the less nutritious meals increased 1.3 percent. In 1950 approximately 64 percent of all meals served were type A—a complete meal furnishing one-third to one-half of 1 day's nutritive requirements. The increase in number of complete meals served was due, in great part, to the fact that almost $56,000,000 worth of nutritious agricultural commodities (eggs, butter, cheese, etc.) were distributed by the Department.

III. Method of financing the program

Estimated funds, by source, fiscal years 1949 and 1950

Source	Fiscal year—				Percentage increase, 1950 over 1949
	1949		1950		
	Amount	Percent	Amount	Percent	
Federal appropriations	$75,000,000	25.6	[1] $83,500,000	25.2	11.3
Source within the States:					
Payments by children	158,553,000	54.1	177,336,000	53.5	11.8
State and local government appropriations	35,418,000	12.1	39,000,000	11.8	10.1
Other local contributions	23,887,000	8.2	31,553,000	9.5	32.1
Total State contributions	217,858,000	74.4	247,889,000	74.8	13.8
Grand total funds available	292,858,000	100.0	331,389,000	100.0	13.2

[1] In addition, commodities valued at $38,502,000 were distributed under the sec. 32 appropriation for "Removal of surplus agricultural commodities," sec. 416 of the Agricultural Act of 1949, and Public Law 471, 81st Cong.

IV. Benefits to agriculture

A. Commodities utilized during 1950 in the school-lunch program cost an estimated $237,000,000. Of this amount $181,000,000 was expended by schools locally—both Federal and State funds. The remaining $56,000,000 is the estimated cost of approximately 460,000 pounds of commodities which the Department purchased and distributed to schools under section 6 of the National School Lunch Act, Section 416 of the Agricultural Act of 1949, Removal of Surplus Agricultural Commodities (sec. 32), and Public Law 471 (81st Cong.).

B. *Sec. 6—Commodities (purchased) and distributed to school-lunch programs, fiscal year 1950*

Commodity	Quantity (pounds)	Estimated cost
Cheese, American, processed and natural	14,074,124	$4,997,000
Fruit, canned	58,045,059	5,861,849
Orange juice, concentrated	1,691,145	657,451
Peanut butter	7,999,965	1,764,400
Vegetables, canned, including tomatoes and tomato paste	46,179,952	4,139,300
Total, sec. 6	127,990,245	17,420,000

C. *Commodity Credit Corporation.*—(Sec. 416 of the Agricultural Act of 1949 and Public Law 471, 81st Cong.).

Commodities distributed to school-lunch programs, fiscal year 1950

Commodity	Quantity (pounds)	Estimated cost
Butter	1,193,216	$751,726
Cheese, natural American Cheddar	1,310,190	419,261
Eggs, dried	153,249	202,289
Milk, nonfat dry solids	348,575	45,315
Potatoes, white	40,419,412	889,887
Total, sec. 416	43,424,642	2,308,478

D. *Sec. 32—Commodities distributed to school lunch programs, fiscal year 1950*

Commodity	Quantity (pounds)	Estimated cost	Commodity	Quantity (pounds)	Estimated cost
Apples:			Peaches, dried	63,110	$9,025
Dried	11,101	$1,790	Pears, fresh	24,315,054	1,500,239
Fresh	116,752,172	5,884,310	Potatoes:		
Applesauce, canned	52,805	4,409	Sweet	2,198,400	89,035
Apricots, dried	4,058	882	White	101,172,340	3,389,273
Beans, fresh	625,166	37,197	Prunes:		
Butter	18,232,605	11,851,193	Canned	16,458	1,825
Cabbage, fresh	3,295,850	108,763	Dried	1,392,291	172,783
Eggs, dried	4,439,042	6,420,187	Fresh	1,216,962	66,081
Figs, dried	199,842	21,723	Raisins, dried	2,475,766	218,115
Grapefruit juice, canned	88,884	4,889	Spinach, fresh	169,146	8,170
Honey	7,892,886	1,243,919	Turkeys	5,762,225	2,881,112
Milk, dried	12,493,489	2,275,064	Total, sec. 32	302,878,189	36,193,259
Orange juice, concentrated	8,537	3,275			

E. Table II shows, by States, estimated value of commodities distributed to schools in fiscal year 1950.

V. *Significant factors affecting program*

A. *Increase in State and local contributions.*—1. In 1950 contributions from sources within the State increased 14 percent.

2. Plans of operation in 26 States provide for increased contributions from State and local sources in 1951.

B. *Food storage practices project.*—A Federal-State joint project to improve food storage practices in schools was begun in 1950 as a part of PMA's technical assistance to States.

C. *Rate of cash payments.*—Quarterly payments to States were made on the basis of prior year participation patterns. By this means, States were able to plan their programs, by quarters, for the entire year to fit the amount of available funds.

1951 ACTIVITY

1. *Participation and number of meals served.*—(*a*) Based on preliminary reports for the month of September, it is estimated that participation in 1951 will be about 10 percent greater than that of 1950.

(*b*) The number of meals served is expected to increase by about 7 or 8 percent.

2. *Commodities purchased and distributed by the Department.*—During the period July 1, 1950, through November 30, 1950, more than 145,000,000 pounds of commodities valued at over $21,000,000 were purchased by the Department and distributed to State agencies for use in school lunch programs. Foods distributed include concentrated orange juice, peanut butter, dry edible beans, cheese, dried eggs, nonfat dry milk solids, potatoes and sweetpotatoes, butter, frozen turkeys, canned tomatoes and canned fruits. These commodities are intended for use in helping schools meet minimum nutritional requirements. Quantity purchased and estimated cost are shown below, by legislative authority:

Legislative authority	Quantity (pounds)	Estimated cost
National School Lunch Act (sec. 6)	40,115,500	$5,742,000
Removal of surplus agricultural commodities (sec. 32)[1]	16,963,678	3,035,851
Agricultural Act of 1949 (sec. 416)	87,937,863	12,363,584
Total	145,017,041	21,141,435

[1] July–October.

TABLE I.—*Percentage of schools and children participating, fiscal year 1950*

State	Elementary and secondary schools			Children in elementary and secondary schools		
	Total number [1]	Number participating [2]	Percent participation	Total enrollment [1]	Number participating [2]	Percent participation
	(1)	(2)	(3)	(4)	(5)	(7)
Alabama	4,359	1,329	30.5	662,522	220,227	33.2
Arizona	534	216	40.4	131,526	39,743	30.2
Arkansas	3,792	941	24.8	411,035	140,969	34.3
California	4,746	2,342	49.3	1,691,647	413,278	24.4
Colorado	2,135	365	17.1	235,924	43,912	18.6
Connecticut	1,148	443	38.6	322,768	66,826	20.7
Delaware	273	84	30.8	51,876	15,030	29.0
District of Columbia	238	156	65.5	115,155	34,570	30.0
Florida	2,477	796	32.1	422,948	148,261	35.1
Georgia	4,368	1,415	32.4	709,979	238,645	33.6
Idaho	992	283	28.5	118,992	36,966	31.1
Illinois	10,569	2,699	25.5	1,422,554	449,941	31.6
Indiana	3,479	1,148	33.0	718,364	173,876	24.2
Iowa	8,445	1,032	12.2	517,260	144,800	28.0
Kansas	4,966	732	14.7	361,081	72,159	20.0
Kentucky	6,316	1,127	17.8	592,392	160,464	27.1
Louisiana	3,148	1,686	53.5	522,601	381,147	72.9
Maine	1,998	553	27.7	183,717	41,735	22.7
Maryland	1,325	646	48.8	367,658	99,759	27.1
Massachusetts	2,889	1,836	63.6	769,745	253,072	32.9
Michigan	6,130	2,091	34.1	1,177,058	333,668	28.3
Minnesota	6,671	1,210	18.1	557,301	187,059	33.6
Mississippi	5,186	1,117	21.5	530,469	156,945	29.6
Missouri	8,166	1,532	18.8	716,103	180,184	25.2
Montana	1,624	216	13.3	106,937	24,503	22.9
Nebraska	5,849	424	7.2	250,950	46,531	18.5
Nevada	238	63	26.5	26,334	5,496	20.9
New Hampshire	715	359	50.2	92,712	27,207	29.3
New Jersey	2,309	1,108	48.0	778,216	155,067	19.9
New Mexico	883	266	30.1	150,032	32,566	21.7
New York	8,561	2,966	34.6	2,377,957	684,280	28.8
North Carolina	4,790	1,350	28.2	855,406	289,393	33.8
North Dakota	3,780	645	17.1	124,471	33,881	27.2
Ohio	5,083	1,513	29.8	1,333,368	273,818	20.5
Oklahoma	3,603	1,546	42.9	465,944	129,763	27.8
Oregon	1,543	520	33.7	246,893	68,008	27.5
Pennsylvania	9,503	2,400	25.3	1,836,446	300,863	16.4
Rhode Island	512	216	42.2	130,775	24,930	19.1
South Carolina	3,927	1,544	39.3	464,539	180,158	38.8
South Dakota	3,788	183	4.8	124,764	16,033	12.9
Tennessee	5,506	1,957	35.5	644,025	226,143	35.1
Texas	8,515	2,409	28.3	1,353,813	322,264	23.8
Utah	521	327	62.8	145,669	53,513	36.8
Vermont	1,050	489	46.6	69,151	26,382	38.2
Virginia	4,171	1,161	27.8	578,803	176,460	30.5
Washington	1,711	819	47.9	420,279	137,979	32.8
West Virginia	4,590	1,552	33.8	432,720	112,254	25.9
Wisconsin	7,581	1,935	25.5	621,225	158,900	25.6
Wyoming	665	197	29.6	56,343	14,457	25.7
Total, continental United States	185,368	51,944	28.0	26,998,447	7,554,115	28.0
Alaska	114	8	7.0	11,343	1,040	9.2
Hawaii	223	156	70.0	108,248	58,709	54.2
Puerto Rico	2,101	2,017	96.0	400,908	222,514	55.5
Virgin Islands	32	32	100.0	6,399	3,872	60.5
Total, Territories	2,470	2,213	89.6	526,898	286,135	54.3
United States and Territories	187,838	54,157	28.8	27,525,345	7,840,250	28.5

[1] Source: U. S. Office of Education. Data is for 1947–48.
[2] February 1950. The number of schools or children may have been higher in some States during other months, but February was the peak month in terms of children participating nationally.

TABLE II.—*Estimated value of commodities distributed to schools, fiscal year 1950 (by state)*

State	Sec 32 [1]	Sec 6 [2]	Sec 416 [3]	Total
Alabama	$1,695,850	$712,625	$32,384	$2,440,859
Arizona	214,822	117,230	4,338	336,390
Arkansas	1,068,984	400,670	31,435	1,501,090
California	1,251,653	738,104	94,608	2,084,365
Colorado	274,527	124,323	14,310	413,160
Connecticut	115,349	67,482	6,343	189,174
Delaware	47,772	32,227	2,057	82,056
District of Columbia	42,285	8,453	16,154	66,892
Florida	777,213	477,432	37,046	1,291,691
Georgia	1,217,353	764,739	30,070	2,012,162
Idaho	203,141	101,386	1,795	306,322
Illinois	1,162,303	545,108	107,797	1,815,208
Indiana	639,242	405,798	6,227	1,051,267
Iowa	702,880	322,453	25,195	1,050,528
Kansas	318,029	184,072	7,028	509,129
Kentucky	1,123,728	498,962	18,091	1,643,781
Louisiana	3,009,454	1,030,394	899,380	4,939,228
Maine	125,744	51,517	22,508	199,769
Maryland	368,798	160,937	10,266	540,001
Massachusetts	482,612	175,581	47,926	706,119
Michigan	1,019,604	359,310	69,702	1,448,616
Minnesota	515,299	305,420	27,088	847,807
Mississippi	957,441	498,137	1,519	1,457,097
Missouri	722,105	439,355	60,955	1,222,416
Montana	70,934	93,013	45	163,992
Nebraska	134,033	68,035	6,636	208,704
Nevada	34,043	22,808	1,178	58,029
New Hampshire	93,456	40,007	9,706	143,169
New Jersey	325,318	224,794	29,342	579,454
New Mexico	574,716	95,585	5,637	675,938
New York	1,804,318	1,136,478	210,006	3,150,802
North Carolina	1,397,711	959,710	28,611	2,386,032
North Dakota	102,479	53,324	833	156,636
Ohio	1,597,092	685,155	53,313	2,335,560
Oklahoma	787,266	376,810	52,706	1,216,782
Oregon	396,954	193,809	1,539	592,302
Pennsylvania	1,219,981	319,642	103,964	1,643,587
Rhode Island	71,690	35,412	16,646	123,748
South Carolina	1,038,537	612,845	11,955	1,663,337
South Dakota	98,200	43,846	2,747	144,793
Tennessee	1,274,540	678,290	16,699	1,969,529
Texas	2,275,168	993,320	59,117	3,327,605
Utah	263,835	169,084	27,723	460,642
Vermont	120,907	41,104	4,749	166,760
Virginia	1,147,263	494,054	14,824	1,656,141
Washington	582,053	261,921	34,810	878,784
West Virginia	695,147	398,032	19,836	1,113,015
Wisconsin	485,701	201,773	19,374	706,848
Wyoming	71,637	59,262	1,076	131,975
Continental United States	34,722,168	16,779,828	2,307,295	53,809,291
Alaska	34,537	1,733	1,183	37,453
Hawaii	220,507	176,537	----------	397,044
Puerto Rico	1,187,959	447,725	----------	1,635,684
Virgin Islands	28,088	14,177	----------	42,265
Total, Territories	1,471,091	640,172	1,183	2,112,446
Total	36,193,259	17,420,000	2,308,478	55,921,737

[1] Removal of Surplus Agricultural Commodities.
[2] National School Lunch Act.
[3] Agricultural Act of 1949 and sec. 3 of Public Law 471.

Mr. HORAN. What has been the increase in the per student cost of the school lunches?

Mr. TRIGG. I would ask Mr. Trainer to answer that question. He is the director of this program.

Mr. TRAINER. The increase has not really shown up yet, Congressman. The records we have so far collected are primarily for the fiscal year 1950. The average cost of a lunch out there today, although it ranges from 15 to 35 cents, the average cost per lunch per child is still about 20 cents. But it is on the way up.

Mr. HORAN. Mr. Chairman, you mentioned a while ago that you did not want continuously to lecture members of the Department on our coordinated responsibility on this side of the table. But it is a fact—and Mr. Trainer, I know, well knows that—that the per unit cost of school lunches is also increasing along with taxes and everything else that comes out of the common purse. And if we at times appear to be galled by our responsibility to hold down the cost of government wherever we can, by better efficiency, you will understand, because school lunches have gone up.

My children happen to go to a school that does not participate, but does have a very fine school-lunch system, and it has gone up enormously in the last few months. Last year it would show a great increase.

Let us not forget that that also comes out of the same common purse that taxes and other things come out of.

Mr. ANDERSON. Might I ask, Mr. Chairman, this question?

I note that you state on page 119 of your justification, the blue sheet, that the increase in number of complete meals served was due in great part to the fact that almost $56,000,000 worth of nutritious agricultural commodities, eggs, butter, cheese, and so forth, were distributed by the Department. Under what legislation has that been made possible?

Mr. TRAINER. The breakdown on those foods is roughly about $2,400,000 under section 416, $17,400,000 section 6 commodities and the balance of the foods were section 32 commodities.

Mr. BEACH. Those are shown on pages 120 and 121 of the same sheets, Mr. Andersen.

Mr. ANDERSEN. Most of this, then, comes from the section 32 funds?

Mr. TRAINER. Yes, sir; the section 32 funds and section 6 funds of the National School Lunch Act furnish the greatest share of the commodities.

Mr. ANDERSEN. We attempted, as you remember, in the House last session to make available practically any of these foods which Commodity Credit had in storage to the school-lunch and kindred programs.

Mr. TRAINER. Yes, sir.

Mr. ANDERSEN. Of course, that legislation did not clear the Senate, if I recall right.

Mr. TRAINER. That is correct, sir.

Mr. ANDERSEN. Would that not be quite a help to you if we could do that and make more of these stored commodities available?

Mr. TRAINER. Sir, at the present time there are three items on the list for distribution to schools: white potatoes, dried eggs, and dried milk.

As you gentlemen realize, when that bill was in the process of being debated, the schools were waiting to see what would happen. When the bill did not pass, then they did get together and pool their funds in order to pay the freight and packaging on about $2,300,000 worth of these commodities.

Mr. ANDERSEN. You may recall that last year I secured the insertion in our appropriation bill for permission to the Department to pay out of section 32 funds the repackaging and distribution of these items of which you had an excess in storage.

Mr. TRIGG. Yes.

Mr. ANDERSEN. That is all, Mr. Chairman.

Mr. WHITTEN. Mr. Horan.

Mr. HORAN. Mr. Chairman, we have in the State of Washington a very able superintendent of public instruction. She has her own ideas about the administration of our school-lunch program, and I understand that there was some difficulty between Mr. Trainer's office and that of Pearl Wannamaker, in the State of Washington.

I understand you have resolved that difference, and I wonder if that has resulted in any simplification of administration of your program at the Federal level as it affects an attempt, I understand, to simplify and to make more economical the administration at the State level.

Mr. TRAINER. Mr. Horan, we did have this year quite an interesting series of discussions and conversations in the State of Washington, as you are well aware, relating to Federal-State relationships, in the grant-in-aid type of program. There was an honest difference of opinion on what those relationships should be. We have requested the State of Washington, as we do all States, to submit at the beginning of the year a plan of operation, how they plan to administer the program, and what they intend to do in the way of State supervision of the schools, in order to assure that the Federal funds are properly expended. We ask that of all States.

We have in years gone by, as we did this year, told the States that if they were planning no major changes that would influence the administration of the program, rather than to supply a long outline or a long document on it, which would be repetitious of the years before, merely to state in a letter that the program was to be operated practically the same as it was in the past.

The difference of opinion arose over the interpretation of that, and the State of Washington indicated to us that they had no intention of submitting a State plan. We indicated that a short statement, merely stating the fact, that no changes were contemplated, would be considered an amendment to the plan already in operation, and that it would only take a short paragraph, but that we could not send money to the State of Washington or any of the other States until we were assured that it would be supervised properly and accounted for properly, and the moneys would be deposited properly in the State. And after we had discussed it also with the Governor of the State, we obtained the short statement, and I am very happy to say that our relationships with the State of Washington are excellent, and the program is going on there in very fine fashion; and, as you have indicated, your State superintendent is a very able person and does conduct a very good school-lunch program.

But I cannot say, in all honesty, to you that it resulted in the shortening of any procedure or the simplification of anything, because I think we already had this requirement as simple as you could get it and still be sure that we were getting the Federal moneys expended properly.

Mr. HORAN. But the relationship is all right?

Mr. TRAINER. The relationship is excellent.

INTERNATIONAL WHEAT AGREEMENT

Funds available for obligation

Adjusted appropriation: Transferred from "Removal of surplus agricultural commodities, Department of Agriculture," pursuant to 1952 Department of Agriculture Appropriation Act, 1952---- $76,808,000

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
Reimbursement to Commodity Credit Corporation for fiscal year 1950:			
1. Program costs			$75,507,686
2. Administrative expenses			129,036
3. Interest costs			1,171,278
Total obligations			76,808,000

Obligations by objects

07 Other contractual services: Reimbursement to Commodity Credit Corporation---------- $76,808,000

Mr. WHITTEN. Coming to the International Wheat Agreement program, I will ask that pages 123 and 124 of volume 2 of the justifications be inserted in the record at this point.

(The material referred to is as follows:)

PURPOSE STATEMENT

The purpose of the International Wheat Agreement, which was ratified by the United States Senate on June 13, 1949, is to introduce an element of stability in the world wheat trade. This agreement assures supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices, thus eliminating many of the hardships caused to producers and consumers by burdensome surpluses and critical shortages.

World wheat trade covered by the wheat agreement is 535,000,000 bushels per marketing year of wheat or wheat products expressed in terms of wheat. Of this quantity, the United States guarantees to supply 228,000,000 bushels during the marketing year 1950 to participating nations at prices not in excess of $1.80 per bushel Port Arthur basis. Section 2 of the International Wheat Agreement Act of 1949 required the President, acting through the Commodity Credit Corporation, to make available such quantities of wheat and wheat flour to importing countries and at such prices as may be necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement.

The International Wheat Agreement Act of 1949 contemplates that appropriations will be made to cover the net cost to the Commodity Credit Corporation of carrying out the functions under that statute. In order that the implementation of the wheat agreement would not be impeded by delays in the making of appropriations or by the insufficiency of any appropriation made or of the payments therefrom, the Commodity Credit Corporation was expressly authorized to proceed in advance of such appropriations or payments and to utilize its corporate funds and other assets in making payments.

Pending the availability of the appropriation, the Corporation is authorized to establish the net costs of operations under the agreement as a receivable, the amount thereof for 1950 fiscal year being $76,808,000.

Funds provided by transfer from "Removal of surplus agricultural commodities" to reimburse CCC for 1950 fiscal year costs

Budget estimate, 1952---------- $76,808,000

International Wheat Agreement

Appropriation Act, 1951	
Budget estimate, 1952	$76, 808, 000
Proposed transfer from "Removal of surplus agricultural commodities"	—76, 808, 000
Change (direct appropriation)	

(NOTE.—Represents reimbursement to the Commodity Credit Corporation for costs incurred during fiscal year 1950.)

Project statement By project or function:	*Total increase and estimate*
1. Program costs	$75, 507, 686
2. Interest expense	1, 171, 278
3. Administrative costs	129, 036
Total estimate	76, 808, 000

During the fiscal year 1950, approximately 135,000,000 bushels of wheat and flour (wheat equivalent) were exported pursuant to the terms of the International Wheat Agreement. The cost of such exports, including administrative and interest costs, was $76,808,000, or an average cost of 57 cents per bushel. This cost (excluding administration and interest) represents the difference between domestic market prices and the maximum wheat agreement price.

Exports from commercial stocks amounted to 66.7 million bushels while exports from CCC-owned stocks were 68.3 million bushels—46.6 million bushels acquired under the price-support program and 21.7 million bushels purchased by CCC for resale.

Approximately 30 countries imported wheat from the United States pursuant to the terms of the agreement. Western Germany received 22 percent of the total; Netherlands, 15 percent; United Kingdom, 13 percent; Greece, 9 percent; Austria, 7 percent; Belgium, 6 percent; and all others, 28 percent.

Mr. WHITTEN. I think that the feelings of this committee are that this International Wheat Agreement is anything but a farmer's program. It was sponsored largely by the State Department. I will not pass judgment on its place in our international relations, but certainly it is based on foreign policy as against being an agricultural program.

The purpose statement that I have inserted in the record calls attention to the fact that what we do is to sell wheat for a period of years to foreign countries far below what we pay for it and what it could be sold for. The other side of it is that, after a period of years, these countries will agree to take wheat at a much reduced price, although the present price is much under the prevailing world price. And, of course, knowing the way this country has handled its foreign policy and agreements, we all know that if that time comes when we in turn can call on them to take the wheat at this reduced price, if they can show us they can get it elsewhere cheaper there will be a great hue and cry over here to let them buy it elsewhere.

But the thing that disturbs me greatly right now is the recommendation made by the Bureau of the Budget, that section 32 funds, which are a percentage of the customs receipts set aside to promote new uses and exporting agricultural surpluses, be used for what I conceive to be an entirely different purpose. Here it is not a case of wheat being in surplus and our not having a foreign market, and thereby using section 32 funds for the purpose of enabling us to move

the wheat. This plan provides that section 32 funds be used to buy high-priced wheat for which there is a world demand and then to sell it way below cost to somebody that would be glad to have it at cost. That is a complete misuse, it seems to me, of section 32 funds.

Mr. ANDERSEN. I do not think, Mr. Chairman, that this should be handled in this way at all. This is not a proper charge, in my opinion, against section 32 funds. That should be kept, as Mr. Horan suggested this morning, in a fund for future use, when we do get into difficulties with surpluses.

Mr. HORAN. We have a program for wheat, anyhow, that will take care of the surpluses.

Mr. ANDERSEN. The question enters my mind, Mr. Chairman, would the Comptroller General approve of this being taken out of section 32 funds?

Do you think so, Mr. Trigg? That is not a proper charge, in my opinion, against section 32 funds.

Mr. WHITTEN. That would be subject to a point of order.

Mr. TRIGG. I am sure it would be subject to a point of order.

Mr. ROBERTS. Mr. Andersen, the Comptroller General, I think, would be governed by the wording of the appropriation language in this case. The Comptroller General would obviously consider it an improper use of section 32 funds if by administrative determination it were decided that section 32 funds would be used to carry out the International Wheat Agreement. But the 1952 Budget proposes language, now before this committee, which would transfer $76,000,000 of section 32 funds for this purpose. If the Congress should approve that language, then obviously the Comptroller General would be governed thereby.

Mr. HORAN. I suppose the excuse for the use of these funds is on the basis of the encouragement of exports. Is that right?

Mr. TRIGG. I do not know what justification or reasoning was in the minds of the Bureau of the Budget.

Mr. HORAN. I cannot see it at all, because there is no point to justifying the use of funds to encourage the export of wheat under an International Wheat Agreement. Of course, if we were going to use these funds to take care of our wheat economy problems in the Pacific Northwest, I might agree with you.

I am opposed to the use of the funds here. That will have to be a direct appropriation.

Mr. WHITTEN. In this connection, I would like to insert in the record the table appearing in the justifications, which shows the various countries that are participating in this International Wheat Agreement. And again, while I differed with the plan at the time and still have some questions on it, I am not in a position to differ with this International Wheat Agreement as a part of our foreign policy. But as an agricultural program, I cannot see it, and could not see it at that time. And that was the attitude of other members of this subcommittee.

(The material is as follows:)

Wheat and flour (bushel equivalent) exported from the United States pursuant to the terms of the International Wheat Agreement, fiscal year 1950 (Oct. 27, 1949–June 30, 1950)

Importing country	Source of exports (bushels)				Amount due CCC	Average cost per bushel to CCC
	CCC price-support program	CCC supply program	Commercial	Total		
Austria	8,038,605	2,071,273		10,109,878	$6,178,362	$0.61
Belgium	1,726,146	1,713,619	4,965,398	8,405,163	4,576,948	.54
Bolivia			577,429	577,429	293,728	.51
Costa Rica			71,979	71,979	40,539	.56
Cuba			1,240,544	1,240,544	648,403	.52
Denmark			904,942	904,942	565,358	.62
Dominican Republic			75,373	75,373	38,966	.52
Ecuador			378,190	378,190	188,177	.50
El Salvador			256,670	256,670	118,026	.46
Western Germany	16,986,272	12,978,418		29,964,690	16,960,501	.57
Greece	10,311,960	1,889,000		12,200,960	7,272,456	.60
Guatemala			280,336	280,336	126,153	.45
Haiti			67,901	67,901	34,332	.51
Ireland		927,136	1,929,281	2,856,417	1,427,922	.50
Israel		373,333	727,601	1,100,934	698,736	.63
Italy	4,007,151		4,087,651	8,094,802	4,617,147	.57
Lebanon			124,718	124,718	78,444	.63
Mexico			6,780,273	6,780,273	3,623,638	.53
Netherlands	3,431,930	1,516,895	14,779,289	19,728,114	10,779,070	.55
Nicaragua			149,207	149,207	72,521	.49
Norway			4,860,611	4,860,611	2,609,568	.54
Panama			101,858	101,858	50,762	.50
Peru			3,118,263	3,118,263	1,683,986	.54
Philippines			1,330,263	1,330,263	751,388	.56
Portugal	2,107,361	319,268	2,092,910	4,519,539	2,248,865	.50
Saudi Arabia	37,333		259,683	297,016	162,699	.55
United Kingdom			17,293,300	17,293,300	9,516,380	.55
Venezuela			297,380	297,380	144,611	.49
Total	46,646,758	21,788,942	66,751,050	135,186,750	75,507,686	.56
Administrative cost					129,036	
Interest cost					1,171,278	
Grand total	46,646,758	21,788,942	66,751,050	135,186,750	76,808,000	.57

NOTE.—Prior to the enactment of the International Wheat Agreement Act of 1949, approximately 6,000,000 bushels of wheat were exported with sec. 32 funds at a cost of $2,295,025. The cost of these exports is not reflected in the request for reimbursement to CCC.

The United States quota for the crop year Aug. 1, 1949–July 31, 1950, was 236,000,000 bushels. Taking into account importing countries which participated less than a full year, the adjusted quota was 197,000,000 bushels. Sales through July 31, 1950, amounted to 163,000,000 bushels or 83 percent of the adjusted quota.

MARKETING SERVICES

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Appropriation or estimate	$10,468,500	$10,989,000	$11,396,000
Transferred from "Removal of surplus agricultural commodities, Department of Agriculture," pursuant to 5 U. S. C. 572	166,735	316,500	
Transferred to "Perishable Agricultural Commodities Act fund," pursuant to Public Law 554		−150,000	
Adjusted appropriation or estimate	10,635,235	11,155,500	11,396,000
Balance transferred from "Supply and distribution of farm labor, Department of Agriculture," pursuant to Public Law 583	193,700		
Unobligated balance, estimated savings	−174,411		
Savings under sec. 1214		−10,000	
Obligations incurred	10,654,524	11,145,500	11,396,000
Comparative transfer from "Research and Marketing Act of 1946, Department of Agriculture"	65,164		
Comparative transfer to—			
"Salaries and expenses, human nutrition and home economics, Agricultural Research Administration"	−27,199		
"Perishable Agricultural Commodities Act fund"	−297,910		
"Salaries and Expenses, Office of Information, Department of Agriculture"	−139	−1,000	
Total direct obligations	10,394,440	11,144,500	11,396,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	1,026,456	386,070	656,070
Payments received from non-Federal sources	741,513	761,782	761,782
Total reimbursable obligations	1,767,969	1,147,852	1,417,852
Total obligations	12,162,409	12,292,352	12,813,852

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
1. Market news service	$2,425,127	$2,591,900	$2,560,030
2. Inspection, grading and classing, and standardization	5,326,873	5,958,000	6,146,860
3. Improvement of marketing practices	479,969	423,000	422,700
4. Freight rates for farm products	178,684	198,000	197,700
5. Regulatory activities	1,983,787	1,973,600	2,068,710
Total direct obligations	10,394,440	11,144,500	11,396,000
REIMBURSABLE OBLIGATIONS			
1. Market news service	82,552	88,082	88,082
2. Inspection, grading, and classing, and standardization	1,684,654	1,059,070	1,329,070
3. Improvement of marketing practices	358		
5. Regulatory activities	405	700	700
Total reimbursable obligations	1,767,969	1,147,852	1,417,852
Total obligations	12,162,409	12,292,352	12,813,852

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions	3,071	3,086	3,509
Full-time equivalent of all other positions	29	16	16
Average number of all positions	2,392	2,356	2,538
Personal service obligations:			
Permanent positions	$9,684,330	$9,857,043	$10,324,027
Part-time and temporary positions	77,714	42,196	43,000
Regular pay in excess of 52-week base	37,147		39,800
Payment above basic rates	54,390	22,293	27,230
Total personal service obligations	9,853,581	9,921,532	10,434,057
DIRECT OBLIGATIONS			
01 Personal services	8,283,046	8,959,600	9,202,125
02 Travel	712,094	680,000	736,700
03 Transportation of things	152,229	96,000	131,500
04 Communication services	376,306	403,000	426,700
05 Rents and utility services	221,394	290,000	154,800
06 Printing and reproduction	107,676	114,000	117,700
07 Other contractual services	120,909	175,000	185,600
Services performed by other agencies	22,400	22,000	22,000
08 Supplies and materials	290,678	301,700	311,400
09 Equipment	107,181	101,700	101,475
13 Refunds, awards, and indemnities	527		
15 Taxes and assessments		1,500	3,000
Total direct obligations	10,394,440	11,144,500	11,396,000
REIMBURSABLE OBLIGATIONS			
01 Personal services	1,570,535	961,932	1,231,932
02 Travel	78,222	70,000	70,000
03 Transportation of things	3,440	3,000	3,000
04 Communication services	17,201	17,000	17,000
05 Rents and utility services	1,330	2,000	2,000
06 Printing and reproduction	20,108	20,000	20,000
07 Other contractual services	72,515	70,000	70,000
08 Supplies and materials	3,318	3,150	3,000
09 Equipment	1,300	600	600
13 Refunds, awards, and indemnities		20	20
15 Taxes and assessments		150	300
Total reimbursable obligations	1,767,969	1,147,852	1,417,852
Total obligations	12,162,409	12,292,352	12,813,852

Mr. WHITTEN. We now come to the "Marketing services." I would like to insert pages 126 and 129 through 132 of volume II in the record at this point.

(The material requested is as follows:)

PURPOSE STATEMENT

The programs under this appropriation provide for a number of activities to facilitate orderly marketing of farm products. These activities are grouped into five functional categories: (1) market news service, (2) inspection, grading and classing, and standardization, (3) improvement of marketing practices, (4) freight rates for farm products, and (5) regulatory activities.

The market news service includes the collection and dissemination of timely information on movements, supplies, demand, quality, and prices of livestock meats, wool, fruits, vegetables, honey, peanuts, dairy products, poultry products, grain, hay, feed, seed, rice, hops, beans, cotton, cottonseed, tobacco, and naval stores.

Inspection, grading and classing, and standardization includes developing and establishing standards by which quality of agricultural commodities can be accurately judged; providing an impartial inspection, classing and grading service for farmers, dealers, and others on the basis of these standards; and administration and enforcement of regulatory and criminal provisions of statutes that require the use of official United States standards for cotton, cotton linters, and grain sold in interstate commerce and for tobacco sold at designated auction markets.

Improvement of marketing practices includes studies and the compilation and dissemination of information to improve marketing methods, practices, and processing techniques; and the development of basic principles for improvement of market and storage facilities.

Freight rates for farm products include assistance to farmers in obtaining and maintaining equitable transportation rates and services through the Department's participation in their behalf in formal cases before the Interstate Commerce Commission and in informal negotiations with carriers and groups of carriers.

Regulatory activities involve the administration of the Standard Container; United States Warehouse; Federal Seed; Packers and Stockyards; Tobacco Plant and Seed Exportation; and Federal Insecticide, Fungicide, and Rodenticide Acts and the regulatory features of the Naval Stores Act. These acts regulate various activities, however, the administration of each includes two or more of the following: (1) licensing or registration, (2) supervision of operations of licensees, (3) collection and testing of samples, and (4) handling of violations.

Appropriated funds

Estimated, 1951	$10, 828, 000
Budget estimate, 1952	11, 396, 000

Marketing services

Appropriation act, 1951 (adjusted; see proposed structure, p. 128)	$10, 989, 000
Reduction pursuant to sec. 1214	−10, 000
Transfer to Perishable Agricultural Commodities Act fund pursuant to Public Law 554	−150, 000
Transfer from "Removal of surplus agricultural commodities, Department of Agriculture" for cotton-classing activities in 1951	[1]+316, 500
Activities transferred in 1952 estimates to "Salaries and expenses, Office of Information" for distribution of motion pictures	−1, 000
Base for 1952	11, 144, 500
Budget estimate, 1952	11, 396, 000
Increase	[2]+251, 500

Summary of increases and decreases, 1952, on basis of available funds

For classing of cotton for producer members of cotton quality-improvement groups	+$250, 000
For handling the increased volume of appeals from grades established by licensed inspectors under the United States Grains Standards Act	+54, 500
For providing the minimum level of effective enforcement of the interstate provisions of the Federal Seed Act	+50, 000
To provide for more adequate enforcement of the Insecticide, Fungicide, and Rodenticide Act	+50, 000
Decrease due to providing a direct appropriation to the General Services Administration for certain procurement and leasing costs previously paid from this appropriation	−153, 000

[1] In addition, $133,500 was transferred, within this appropriation, from Marketing Regulatory Acts (Perishable Agricultural Commodities, etc., Acts) for cotton-classing activities.

[2] On a direct appropriation basis, represents an increase of $568,000 due to the availability in fiscal year 1951 of $316,500 for cotton-classing activities, by transfer pursuant to the Department's interchange authority.

Project statement (on basis of available funds)

Project	1950	1951 (estimated)	Increase or decrease		1952 (estimated)
			GSA adjustment	Other	
1. Market news service	$2,425,127	$2,591,900	−$31,870		$2,560,030
(a) Cold-storage reports	42,370	46,445	−35		46,410
(b) Cotton and cottonseed	350,916	344,185	−17,160		327,025
(c) Dairy and poultry products	273,660	305,207	−1,930		303,277
(d) Fruits and vegetables	652,106	727,100	−8,505		718,595
(e) Grain, hay, feed, etc	85,542	95,765	−350		95,415
(f) Leased wire services	230,012	232,923	−115		232,808
(g) Livestock, meats, and wool	651,431	696,275	−3,335		692,940
(h) Naval stores		12,000	−15		11,985
(i) Tobacco	139,090	132,000	−425		131,575
2. Inspection, grading and classing, and standardization	5,326,873	5,958,000	−115,640	[1]+304,500	6,146,860
(a) Cotton and cottonseed	1,628,193	2,080,250	−86,640	+250,000	2,243,610
(b) Dairy and poultry products	142,705	158,215			158,215
(c) Fruits and vegetables	539,391	593,940	−8,200		585,740
(d) Grain (includes United States Grain Standards Act)	1,252,876	1,306,275	−13,475	+54,500	1,347,300
(e) Livestock, meats, and wool	129,722	146,840	−100		146,740
(f) Naval stores	30,938	30,900	−40		30,860
(g) Rice, hay, beans, etc	85,783	92,680	−85		92,595
(h) Liquid sugar, sirups and molasses		21,500			21,500
(i) Tobacco	1,517,265	1,527,400	−7,100		1,520,300
3. Improvement of marketing practices	479,969	423,000	−300		422,700
(a) Cotton and cottonseed	210,136	207,000	−255	+2,315	209,060
(b) Dairy and poultry products	80,287	66,380	−5	+755	67,130
(c) Fats and oils	10,258	2,320		−2,320	
(d) Fruits and vegetables	55,728	59,665	−10	+660	60,315
(e) Grain and grain products	28,851	2,400		−2,400	
(f) Livestock, meats, and wool	24,338	17,585	−5	+235	17,815
(g) Market, storage and transportation facilities	70,371	67,650	−25	+755	68,380
4. Freight rates for farm products	178,684	198,000	−300		197,700
5. Regulatory activities	1,983,787	1,973,600	−4,890	[2]+100,000	2,068,710
(a) Federal Seed Act	165,451	178,800	−400	+50,000	228,400
(b) Insecticide Act	521,301	504,500	−600	+50,000	553,900
(c) Naval stores and tobacco export permits	10,955	9,900	−10		9,890
(d) Packers and Stockyards Act	640,919	642,200	−220		641,980
(e) Standard Container Acts	12,653	13,200	−10		13,190
(f) United States Warehouse Act	632,508	625,000	−3,650		621,350
Unobligated balance	174,411				
Total available or estimate	10,568,851	11,144,500	−153,000	+404,500	11,396,000
Transfer in 1952 estimates to "Salaries and expenses, Office of Information"	+139	+1,000			
Transferred from: "Removal of surplus agricultural commodities, Department of Agriculture"	−166,735	−316,500			
"Supply and distribution of farm labor, Department of Agriculture"	−193,700				
Transferred to: "Perishable Agricultural Commodities Act fund"		+150,000			
Transfer in 1951 estimates from "Research and Marketing Act of 1946, Department of Agriculture"	−65,164				
Transfer in 1951 estimates to: "Salaries and expenses, Human Nutrition and Home Economics, Agricultural Reserach Administration"	+27,199				
"Perishable Agricultural Commodities Act fund"	+297,910				
Reduction pursuant to sec. 1214		+10,000			
Total appropriation or estimate	10,468,500	10,989,000			

Mr. WHITTEN. Mr. Trigg, we will be glad to have your general statement.

Mr. TRIGG. Mr. Chairman, I would like to read this statement, if I may. It is a short, one-page statement. The activities carried out under the marketing services appropriation are of major importance in both normal times and in times of national emergency. It would be impossible to maintain a semblance of orderly marketing of agricultural products without the accurate and timely news on stocks, movement, and prices, the uniform grades and standards uniformly applied, and the safeguards against fraudulent and careless marketing practices which are provided under this appropriation. Some of this work started as a direct result of conditions that existed during World War I. It expanded greatly as a result of persistent demands during the following 23 years. The work as a whole proved to be invaluable during World War II. We are requesting increases for four lines of work. A $250,000 increase is requested for cotton classing which is mandatory under the Cotton Acts. With a 16,000,000 bale crop next year it will be impossible to meet demands for classing from Smith-Doxey cotton improvement groups unless this increase is granted.

Mr. ANDERSEN. There, Mr. Trigg you are asking for an increase before you ever get the cotton produced.

Mr. TRIGG. It is only in anticipation of the crop we would have, Mr. Andersen. You have got to get cotton classers and train them. You have got to get the set-up to do that work. In other words, if the increase is not granted, we know that we could not even plan the work to begin with.

Mr. WHITTEN. Mr. Trigg, in that connection, a few years ago there was a determined effort to tremendously increase the amount of money for cotton classing.

However, the chief problem was in connection with the cotton loans. Many people wanted to provide money to set up cotton classing offices in certain communities. Of course if you set it up in one, then every other community wants the same thing.

At that time we provided that you could meet that need as it arose by using some of the Commodity Credit funds. Now, it strikes me that if we could give you some basis on which to meet the problems as it arises, that would be better than to provide funds here for this type of classing which may materialize and may not.

If you had the authority to make these funds available as needed, you would not be under the same pressure to set up permanent offices. And where you have some cotton associations and others with trained personnel, here you give them such tests as you might require, you might be able to handle it even better.

That is not as necessary, I realize, under this particular program here as it is under the loan program, where many factors enter into the problem—the size of the crop, the prevailing market prices as of the time, and railway embargoes on movement of the commodity.

There is no need to keep a lot of cotton classing offices open the year round with nothing to do.

Mr. TRIGG. What I would like to see done would be an arrangement similar to what is done in the case of the International Wheat Agreement, and the financing of the foot-and-mouth-disease program

out of Commodity Credit funds, and then come up and ask for an appropriation to reimburse CCC on this type of thing. In that way we would have the authority to expand as needed and we would not need to keep a big organization and be trying to anticipate what it is going to be.

The authority would be available to utilize the funds and later get reimbursed for them, and that would not be a charge against the Commodity Credit Corporaion.

Mr. WHITTEN. It would result in quite a bit of savings, too, if you make it elastic, would it not?

Mr. TRIGG. I think it would. The more elastic these things could be, the greater flexibility you have and the better job you can do. I believe it would amount to some savings.

Mr. WHITTEN. Proceed, then.

Mr. TRIGG. Increases of $50,000 each are requested for the Federal Seed Act and the Insecticide Act. In each instance, the increase is needed in order to perform an increased volume of enforcement work as required by law. The proper enforcement of these acts is important dollarwise to farmers and in terms of food and fiber necessary for national defense.

The remaining increase of $54,500 is for the United States Grain Standards Act. This is to enable us to handle additional appeals from licensed inspectors' grades. The law entitles producers and grain dealers to this protection from incorrect grading, but for the last 2 years we have been unable to provide the service to a large number of applicants. Many individuals and trade organizations have been highly critical—to the point of bringing the matter before the Senate Agriculture and Forestry Committee and other congressional committees about a year ago. We believe this increase would enable us to correct this situation to a large extent.

In accordance with recommendations of both the executive and legislative branches, this year's budget structure for marketing services has been extensively revised. The six subappropriations have been eliminated and the 34 financial projects have been reduced to 5. All similar functions have been consolidated so that the Market News Service, for instance, includes all market news work, whereas before parts of this work were included under four different subappropriations. Each of the financial and work projects will tie directly into our accounting records—another improvement over the former structure.

Mr. WHITTEN. I believe that I will ask that the table on page 128 be inserted in the record at this point.

(The material is as follows:)

Proposed consolidation of appropriation items and revision of activity schedules, Marketing Services

[Based on amounts appropriated for 1951]

Present structure		Proposed structure					
			Financial project				
Appropriation items, financial projects	Total amount	Appropriation item	Market news service	Inspection, grading and classing, and standardization	Improvement of marketing practices	Freight rates for farm products	Regulatory activities
Market news service	$2,118,500						
Livestock, meats and wool	760,000		$760,000				
Fruits and vegetables	810,250		810,250				
Dairy and poultry products	354,755		354,755				
Grain, hay, feed, seed, rice, hops, and beans	108,850		108,850				
Cottonseed, naval stores, etc	37,845		37,845				
Cold-storage reports	46,800		46,800				
Market inspection of farm products	780,000						
Inspection and certification of fresh and processed fruits and vegetables	527,540			$527,540			
Grading and certification of dairy and poultry products	84,115			84,115			
Inspection and certification of rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities	55,805			55,805			
Grading and certification of meats and wool	66,390			66,390			
Inspection of cottonseed	35,450			35,450			
Grading and certification of liquid sugar, sirups, and molasses	10,700			10,700			
Marketing farm products	1,260,000						
Standardization and marketing research on:							
Fresh and processed fruits and vegetables	121,200			66,400	$54,800		
Livestock, meats and wool	110,550		18,100	80,450	12,000		
Dairy and poultry products	137,050			74,100	62,950		
Grain, rice, beans, peas, hay, seed and hops	145,050			145,050			
Cotton and cottonseed	450,200			243,100	207,100		
Liquid sugar, sirups and molasses	10,800			10,800			
Research on transportation, packing, and packaging	12,850				12,850		
Freight rates for farm products	198,000					$198,000	
Obtaining adequate market storage and transportation facilities	54,800				54,800		
Food production and marketing assistance	19,500				19,500		

Proposed consolidation of appropriation items and revision of activity schedules, Marketing Services—Continued

Present structure		Proposed structure					
			Financial project				
Appropriation items, financial projects	Total amount	Appropriation item	Market news service	Inspection, grading and classing, and standardization	Improvement of marketing practices	Freight rates for farm products	Regulatory activities
Tobacco acts	$1,660,500						
Inspection and certification	1,451,200			$1,451,200			
Technical assistance to producers in preparing tobacco for market	58,000			58,000			
Market news	112,300		$112,300				
Stocks statistics, grade standards, and export permits	39,000		19,700	18,200			$1,100
Cotton acts	1,675,000						
Classing services	1,103,800			1,103,800			
Preparation and distribution of standards	247,900			247,900			
Market information and quality statistics	323,300		323,300				
Marketing regulatory acts	3,495,000						
Perishable agricultural commodities, produce agency, and standard container acts	306,700						306,700
United States Grain Standards Act	1,198,100			1,198,100			
United States Warehouse Act	625,000						625,000
Federal Seed Act	178,800						178,800
Packers and Stockyards Act	642,200						642,200
Naval Stores Act	39,700			30,900			8,800
Insecticide Act	504,500						504,500
Total appropriation	10,989,000	$10,989,000	2,591,900	5,508,000	$424,000	$198,000	2,267,100

Mr. WHITTEN. Those figures cover the money that you had available for the current year, do they not?

Mr. BEACH. Last year, Mr. Whitten.

Mr. WHITTEN. I mean the current fiscal year, not the one coming up. And the increases over and above that you have already discussed and are reflected in the total figures which are on page 129.

We have asked you to describe in times past the various activities carried on in the marketing news service. With our entering into a period where apparently there is going to be controls of prices and so forth, what effect, if any, will that have on the necessity for carrying on this marketing news service?

If there is a shortage of supply and a ready demand and a fixed market price, what is the purpose, then, for a marketing news service as compared with prevailing conditions last year, which were quite different?

Mr. TRIGG. As we have already seen demonstrated, as a result of the Office of Price Stabilization's order freezing all prices, there naturally has to be a great deal of adjustment in prices, in fixing, as I believe they intend to, dollars and cents figures on these ceilings.

The information supplied through our market news service would be of inestimable value to them and to the Government and everyone in helping fix those prices at a level that would be equitable and just to the distributor and to the consumer. Information is also provided, of course, as to the location of stocks concerned, the movement of stock, and things of that nature, the location and differentials. All of that information would be supplied by this service.

Mr. WHITTEN. In other words, you conceive the problem in this field to be just as great, though somewhat different in nature, during this coming fiscal year as it has been in the past?

Mr. TRIGG. That is correct, yes, sir.

Mr. WHITTEN. Have you got any new units proposed to be set up?

Mr. TRIGG. I will ask Mr. Lennartson to comment on that.

Mr. LENNARTSON. It will stay right within PMA as it now exists in the commodity branches.

Mr. WHITTEN. We have some small increases and changes in connection with improvement of marketing practices, and some improvements in regulatory activities, Federal Seed Act, Insecticide Act. I believe you covered that.

Mr. TRIGG. Those are increases that are actually needed. It is not a question of rounding it off, Mr. Chairman. I might ask Mr. Lennartson to elaborate upon the increases, if he will.

Mr. LENNARTSON. I will take up the Grain Standards Act first, Mr. Chairman. The problem has been the matter of having adequate Federal personnel to supervise non-Federal licensed inspectors who are scattered throughout the country.

Mr. WHITTEN. We have had a considerable degree of complaint on that. On the other hand, some folks in the Department say it is because you have so many PMA grain people and limit the number that are assigned to the enforcement of this inspection under this particular act.

Mr. LENNARTSON. The appropriation under this act is primarily for field people, field supervisors. They are scatted throughout the district offices.

Mr. WHITTEN. Does not PMA also carry a group of such grain inspectors in a different category from those that are carried on this appropriation?

Mr. LENNARTSON. No; they do not. That is all one and the same program under the Grain Inspection Division.

Mr. BEACH. You might be thinking of Warehouse Inspection.

Mr. WHITTEN. That is what I had reference to.

Mr. BEACH. They inspect the warehouses; these inspect the grain.

Mr. WHITTEN. This is the grain only?

Mr. BEACH. Yes.

Mr. WHITTEN. You might proceed, then.

Mr. LENNARTSON. The problem is having adequate personnel to supervise the licensees, and at the same time take care of this tremendous increase that has occurred in recent years on appeals on grain inspection.

Mr. WHITTEN. Do you have any explanation for this big increase in appeals?

Mr. LENNARTSON. It is just a matter of increased volume and the result of certain supply and demand conditions, the greater demand on the part of the buyer or the seller for the appeal.

Mr. WHITTEN. Prices have been high, and where there is more money involved, there is more reason to appeal under the Grain Act.

Mr. LENNARTSON. That would be on the buyer's side. and on the seller's side it would be the other way. Last year about 20,000 requests for appeals had to be canceled or denied because we were not able to handle them. And it so happens that the percentage of appeals which were upheld of the original grade has also increased, indicating that our attempt to properly supervise these licensses is bearing fruit. But we are unable to keep up to appeal demands. Now, on the Federal Seed Act, there our problem has arisen as a result of the tremendous importation of seeds into this country. We have had to shift the bulk of the staff over to take care of importation work with the result that we have not been able to carry out our part of the interstate work under cooperative agreements with the 48 States who are working with us under their individual State seed acts and are also reporting violations of the Federal act.

We are getting to the point where they are getting impatient with the fact that as they send in complaints to us, or possible violations, we are not able to follow up on them promptly.

Frankly, we are more concerned with jeopardizing our relationships with the States than any other feature of this service.

Mr. WHITTEN. How about your workload with seed testing? How many folks have you got in this field, and how many tests do they run?

Mr. LENNARTSON. I will give you some indication of how the imports have increased. Imports have increased from 69,000,000 pounds in fiscal year 1947 to over 102,000,000 in 1950. We have had to shift our work so that over 75 percent of the staff is now in import work, and less than 25 percent for interstate work. The normal distribution of the work should be about 50–50.

Mr. WHITTEN. What about the Insecticide Act?

Mr. LENNARTSON. With the Insecticide Act, our problem stems from the fact that when the act was passed we assumed there would probably be about 12,000 registrations per year. Instead of that, we have been running at a rate of more than 20,000 a year. There, too, we have had to utilize more of the personnel on the registration

activities, and have had to cut down on the work in the field of picking up and testing samples of the various economic poisons to determine compliance with the act.

Our need here is to add additional personnel to do more field work on violations.

Mr. WHITTEN. In the 1951 appropriation bill you had an increase of about $95,000 for regulatory activities. How much of that money was made available for these two purposes which you have just discussed?

Mr. LENNARTSON. There was no increase in the Insecticide Act under that appropriation.

Mr. BEACH. $16,400 was made available for the Federal Seed Act including $1,400 for increased pay costs.

Mr. LENNARTSON. I think it was $40,000 for Grain Standards, but a part of that was taken up with pay cost increases. It was $40,100 on Grain Standards of which $10,100 was for increased pay costs.

Mr. HORAN. How much of this is self-sustaining?

Mr. LENNARTSON. Of which portion? All the marketing services?

Mr. HORAN. Let us go down the list. It might be interesting.

Mr. LENNARTSON. Market news: None of that would be self-sustaining.

Mr. HORAN. Market inspection of farm products: Most of that is.

Mr. LENNARTSON. That is 75 percent self-sustaining. Under the project set-up that we are proposing here in this estimate 75 percent of it is self-sustaining.

Mr. HORAN. Federal-State inspection: Out in the State of Washington I was under the impression we paid for all of that.

Mr. LENNARTSON. Federal-State inspection?

Mr. HORAN. Yes.

Mr. LENNARTSON. If that would be fruit and vegetable, it would be about 90 percent self-sustaining. You see, you have the tobacco inspection activities in here, which is not self-sustaining. The grain standards is not. So, when you put those in——

Mr. HORAN. I mean the market inspection of farm products. This is for the information of the committee. I want them to realize that some of our farm producers pay an awful lot of this.

Mr. LENNARTSON. On fruit and vegetables, on egg and poultry products and meats, it would be over 90 percent self-sustaining. On cotton classing, because of the sale of the loose cotton from the samples, is more than self-sustaining. On tobacco, I believe the public cost there is nearly 90 percent. With your Grain Standards Act, of course the public cost there would be high, running about 85 percent.

We have a table which we could submit on that.

Mr. HORAN. I wish you would.

Mr. LENNARTSON. That is by commodities.

Mr. HORAN. I wish the table would clarify our appreciation of this chart on page 128 which we have submitted for the record. Frankly, I would like to know what the cost of inspection services and classifications services and grading services are en toto, and what part the Federal Government contributes.

Mr. LENNARTSON. That table will reflect that in detail.

Mr. HORAN. It will?

Mr. LENNARTSON. Yes.

Mr. HORAN. That is all, Mr. Chairman.

(The table referred to above is as follows:)

Total cost of inspection, grading, and classing and standardization activity and extent of cost of program to taxpayer, by work project, fiscal year 1950

Work project	Total cost of activity					Income to general revenue fund of Treasury	Net cost to taxpayer	Percent of total cost charged to taxpayer	Percent of total cost covered by revenue
	Total	Paid from revenue earned			Paid from appropriation				
		Reimbursement to appropriation	Trust funds	Total					
Cotton and cottonseed	$2,369,708	$741,515		$741,515	$1,628,193	$1,811,790	−$183,597		107.7
Dairy and poultry products	2,676,293	21,000	$2,512,588	2,533,588	142,705	16,000	126,705	4.7	95.3
Fruits and vegetables	2,884,757	741,829	1,603,537	2,345,366	539,391	239,192	300,199	10.4	89.6
Grain (includes United States Grain Standards Act)	1,254,376	1,500		1,500	1,252,876	178,996	1,073,880	85.6	14.4
Livestock, meats, and wool	1,517,247		1,387,525	1,387,525	129,722	3,708	126,014	8.3	91.7
Naval stores	52,077		21,139	21,139	30,938	6,608	24,330	46.7	53.3
Rice, hay, beans, etc	603,125	1,000	516,342	517,342	85,783	9,130	76,653	12.7	87.3
Tobacco	1,695,075	177,810		177,810	1,517,265	9,050	1,508,215	89.0	11.0
Total	13,052,658	1,684,654	6,041,131	7,725,785	5,326,873	2,274,474	3,052,399	23.4	76.6

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
Appropriation or estimate	$125,606,982	$111,192,249	$150,000,000
Transferred to—			
"International Wheat Agreement, Department of Agriculture," pursuant to Department of Agriculture Appropriation Act, 1952			−76,808,000
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1392	−503,290	−412,342	−412,342
"Local administration, sec. 388, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1388	−79,602	−75,000	−75,000
"Marketing services, Department of Agriculture," pursuant to 5 U. S. C. 572	−166,735	−316,500	
Adjusted appropriation or estimate	124,857,355	110,388,407	72,704,658
Prior year balance available		46,991,669	51,354,976
Payments received from non-Federal sources	1,827		
Balance available in subsequent year	−46,991,669	−51,354,976	−38,566,976
Total obligations	77,867,513	106,025,100	85,492,658

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
1. Direct Government purchases	$41,897,629	$76,586,442	$56,280,000
2. Encouragement of exportation	25,249,080	24,151,000	16,325,000
3. Diversion to byproducts and new uses	7,612,674	1,775,000	9,375,000
4. Surplus removal operating expenses	2,732,928	3,091,500	2,775,000
5. Marketing agreements and orders	1,124,829	1,225,000	1,225,000
Total	78,617,140	106,828,942	85,980,000
Adjustments (itemized in funds available statement above)	−749,627	−803,842	−487,342
Total obligations	77,867,513	106,025,100	85,492,658

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	668	742	730
Full-time equivalent of all other positions	2	3	2
Average number of all employees	604	673	660
01 Personal services:			
Permanent positions	$2,769,793	$3,151,807	$3,137,771
Part-time and temporary positions	5,149	7,004	7,025
Regular pay in excess of 52-week base	10,660		15,198
Payment above basic rates	8,880	11,296	11,330
Total personal services	2,794,482	3,170,107	3,171,324
02 Travel	207,425	240,000	240,034
03 Transportation of things	16,928	26,230	26,000
04 Communication services	102,569	101,675	101,700
05 Rents and utility services	74,076	62,100	62,100
06 Printing and reproduction	21,225	40,250	40,000
07 Other contractual services	43,148	44,376	44,000
08 Supplies and materials	53,696	54,845	54,000
09 Equipment	42,711	22,575	22,500
11 Grants, subsidies, and contributions	74,511,253	102,262,442	81,730,000
15 Taxes and assessments		500	1,000
Total obligations	77,867,513	106,025,100	85,492,658

Mr. WHITTEN. We turn then to your activities under section 32. I would like to insert pages 175, 176, and 177 of volume II of the justification.

(The material referred to is as follows:)

PURPOSE STATEMENT

This is a permanent appropriation authorized by section 32 of the Agricultural Adjustment Act of August 24, 1935 (Public Law No. 320, 74th Cong.). It provides that an amount equal to 30 percent of the gross receipts from customs duties each calendar year shall be made available to the Secretary of Agriculture during each succeeding fiscal year to encourage the exportation or domestic consumption or utilization of American agricultural commodities.

To encourage exports, section 32 funds have been used to make direct payments to exporters, thus making it possible for them to purchase American agricultural commodities and sell them at lower prices in foreign markets. The Foreign Assistance Act of 1948, furthermore, authorizes the use of section 32 funds to make payments, not exceeding 50 percent of the export sales price, to exporters or to Government agencies exporting surplus agricultural commodities to occupied areas and to countries participating in the European recovery program.

Section 32 export programs were carried on during fiscal year 1950 for cotton, eggs, flaxseed, honey, linseed oil, fresh oranges, orange juice, peanuts, fresh pears, dried prunes, fresh prunes, dried raisins, and wheat.

To increase domestic consumption by purchase and distribution, section 32 funds are used to buy surplus agricultural commodities—generally perishable commodities, such as fruits and vegetables. Foods thus acquired are made available to school-lunch programs, charitable institutions serving needy persons, or to persons certified by welfare agencies as eligible for relief.

During fiscal year 1950, section 32 purchases included dried eggs, dried beans, fresh apples, fresh pears, fresh prunes, dried prunes, dried raisins, dried milk, butter, snap beans, cabbage, Irish potatoes, spinach, turkeys, and sweetpotatoes.

To increase consumption these funds are also used to divert surplus commodities to byproducts or new uses. During the fiscal year 1950, payments were made to manufacturers to encourage the fabrication of insulating materials from cotton. A program was carried on to divert surplus dried figs, dried prunes, and dried raisins to industrial uses and livestock feeding. Surplus almonds, filberts, and walnuts were also diverted to commercial uses and livestock feeding. To increase the domestic utilization of plentiful foods moving through normal channels of trade a plentiful-foods program is conducted. This program maintains close working relations with the producer, wholesale and retail groups, and with press, radio, and other public information media.

In accordance with the provision of Agricultural Act of 1949 requiring that this fund be used principally for perishable agricultural commodities, 59 percent of this appropriation was used for surplus disposal operations in connection with such commodities.

The Agricultural Act of 1948 provides for the continued availability of unexpended balances of section 32 funds, to the extent of $300,000,000 for surplus removal and price-support programs.

Appropriated funds (permanent appropriation)

Estimated, 1951	$111, 192, 249
Budget estimate, 1952	150, 000, 000

Removal of surplus agricultural commodities, (sec. 32)

Appropriation act, 1951, and base for 1952		$111, 192, 249
Budget estimate, 1952:		
30 percent of customs receipts, calendar year 1950	$150, 000, 000	
Less proposed transfer to "International Wheat Agreement"	76, 808, 000	
		73, 192, 000
Decrease (in annual appropriation available for sec. 32 purposes)		38, 000, 249

NOTE.—Due to an estimated carry-over of $51,354,976 from fiscal year 1951, a total of $124,546,976 is estimated to be available for sec. 32 purposes in fiscal year 1952. Of this total, the estimates tentatively forecast obligations of $85,980,000 for fiscal year 1952, leaving a carry-over of $38,566,976 into fiscal year 1953.

Project statement

Project	1950	1951 (estimated)	Increase or decrease	1952 (estimated)
1. Direct purchases	$41,897,629	$76,586,442	−$20,306,442	$56,280,000
2. Encouragement of exportation	25,249,080	24,151,000	−7,826,000	16,325,000
3. Diversion to byproducts or new uses	7,612,674	1,775,000	+7,600,000	9,375,000
4. Surplus removal operating expenses	2,732,928	3,091,500	−316,500	2,775,000
5. Marketing agreements and orders	1,124,829	1,225,000		1,225,000
Total obligations	78,617,140	106,828,942	−20,848,942	85,980,000
Balance available in subsequent year	+46,991,669	+51,354,976	−12,788,000	+38,566,976
Total available for surplus removal operations	125,608,809	158,183,918	−33,636,942	124,546,976
Prior year balance available		−46,991,669	−4,363,307	−51,354,976
Transfer to "International Wheat Agreement Act, Department of Agriculture"			+76,808,000	+76,808,000
Payments received from non-Federal sources	−1,827			
Total appropriation or estimate	125,606,982	111,192,249	+38,807,751	150,000,000

Mr. WHITTEN. I would like to have a discussion of general activities under this program during the present year. We have had a discussion of the proposed transfer to carry out the International Wheat Agreement. I do not know that there is any necessity to cover that further. You might discuss the program generally.

Mr. TRIGG. Mr. Chairman, I think that there has been a marked change in that which is very significant. The President's budget which was submitted sometime back contemplated that we would use approximately $107,000,000 of these funds in the current fiscal year.

But because of our present prevailing prices it is now estimated we will only use about $55,000,000 during this year. But of course, as you are quite familiar, the authority provides for accumulation of unused balances up to $300,000,000.

Mr. WHITTEN. What carry-over should you have at the end of this year, based on your present estimates there?

Mr. TRIGG. About $105,000,000, I believe.

Mr. BEACH. $103,000,000 out of this year's fund of $158,000,000.

Mr. TRIGG. For the outlook in 1952, as of now we feel that there will be about $86,000,000 used for the removal of surplus commodity operations and things of that nature; and of course you are familiar with the proposal about the wheat agreement, which we have already discussed.

Mr. WHITTEN. How was your money spent this year on the program?

Mr. TRIGG. Mr. Chairman, I can insert this whole table in the record; but perishable commodities will include such things as citrus and deciduous fruits ——

Mr. WHITTEN. I believe that is included in your table, Mr. Trigg, which follows page 181. I will ask that that page be inserted in the record at this point.

(The material referred to is as follows:)

Commodities exported and payments made under foreign assistance acts, fiscal years 1948–50

Commodity	Unit	Total		Section 32		ECA		Army	
		Quantity	Payment	Quantity	Payment	Quantity	Payment	Quantity	Payment
Dried fruits:									
Apricots	ton	1,261	$574,652	1,261	$143,663			1,261	$430,989
Dates	do	681	135,110	681	33,777			681	101,333
Figs	do	6,158	1,124,222	6,158	281,056			6,158	843,166
Peaches	do	1,544	411,710	1,544	102,928			1,544	308,782
Prunces	do	86,357	17,603,740	86,357	6,014,095	33,967	$4,677,765	52,390	6,911,880
Raisins	do	60,884	12,310,995	60,884	4,448,122	29,779	4,203,972	31,105	3,658,901
Subtotal		156,885	32,160,429	156,885	11,023,641	63,746	8,881,737	93,139	12,255,051
Dried eggs	pound	13,316,796	16,141,082	13,316,796	8,070,541	12,712,836	7,670,417	603,960	400,124
Frozen eggs	do	37,463,534	13,185,414	37,463,534	6,592,707	37,463,534	6,592,707		
Flaxseed	bushel	4,420,135	28,793,810	4,420,135	4,509,427	4,038,030	22,104,322	382,105	2,180,061
Linseed oil	pound	13,368,732	2,642,810	13,368,732	407,851	13,368,732	2,234,959		
Peanuts, shelled	do	221,310,539	35,411,890	221,310,539	14,726,215	172,540,525	16,318,550	48,770,014	4,367,125
Total			128,335,435		45,330,382		63,802,692		19,202,361

Mr. WHITTEN. That table shows the quantity which you handle through this means. Now, how are these commodities used?

Mr. TRIGG. As we explained in our earlier testimony a great deal of section 32 commodities went into the school-lunch program.

Mr. WHITTEN. I believe your table does show that some of it went to ECA, and part of it went to the Army. On that, were you refunded or repaid, or did you just transfer it to them without expense and charge it off?

Mr. TRIGG. Anything transferred to ECA and to the Army was done under the authority, I believe it was, of section 112 (f) of the Foreign Assistance Act of 1948, which provides for payment on the part of the Department of Agriculture up to 50 percent of the cost of the commodity in order to do it.

In other words, up to a maximum of 50 percent can come out of our funds, and 50 percent out of their funds in order to utilize the commodities.

Mr. WHITTEN. All ECA and the Army has to do is hold off and insist that you split up your part of it before they agree to take it, do they not? In some instances I can see that they could really feel that you were forcing them to substitute. In others it could be that they were either holding off until you agreed to put up the half——

Mr. TRIGG. They are familiar with the provisions of the Foreign Assistance Act.

Mr. WHITTEN. How about your program with regard to new uses?

Mr. TRIGG. In the past year?

Mr. WHITTEN. Yes.

Mr. TRIGG. We used approximately $4,000,000 on tree nuts and $3,500,000 on dried fruits.

Mr. WHITTEN. What did you do with those products after you got them? Did you just use that in buying them and making them available to people for new uses at reduced prices? In other words, that was the difference between what you paid and what you were able to get back for them, was it?

Mr. TRIGG. We made tree nuts available for new uses. Some of them went into industrial uses. This payment represented the difference between what the processors were able to get for the finished product and what they paid for the original surplus commodity.

Mr. WHITTEN. I believe in connection with that program it might be well to insert pages 182 through 186 in the record.

(The material is as follows:)

C. DIVERSION OF AGRICULTURAL COMMODITIES TO BYPRODUCTS AND NEW USES

Approximately $3,500,000 was used to divert dried fruits to livestock feed, juices, and pharmaceuticals and $4,000,000 to divert tree nuts to livestock feed and industrial uses. Sorghum grains, costing approximately $26,000, were diverted for demonstration purposes and $19,900 was required to liquidate the cotton insulation program.

Quantity of commodities diverted and payments made during fiscal years 1949 and 1950

Commodity	Unit	1949		1950	
		Quantity	Payments	Quantity	Payments
Cotton	bale	10,988	$233,487	1,448	$19,900
Figs	ton	2,583	193,234	192	11,580
Prunes	do			31,349	1,869,402
Raisins	do			19,274	1,541,920
Pears, fresh	do	108,367	48,765		
Sorghum grains	hundredweight			13,520	26,386
Tree nuts:					
Almonds (shelled)	pound			2,389,867	760,870
Filberts (unshelled)	do			4,216,018	264,453
Walnuts	do			8,497,754	2,949,635
Total			475,486		7,444,146

D. FOOD PRESERVATION AND MARKETING OF ABUNDANT FOODS

The work performed under this program supplemented the direct distribution program by (1) furnishing assistance and advice in the preservation of foods and in the operation of preservation centers, and (2) encouraging the consumption of plentiful foods through normal channels of trade.

1. Food-preservation program

(a) Surplus foods preserved during fiscal years 1949 and 1950 by local preservation centers for redistribution in processed form to schools and other outlets

Commodity	Fiscal year 1949 (pounds)	Fiscal year 1950 (pounds)
Fruits:		
Apples, fresh	2,779,958	1,277,504
Apples, dried	30,000	
Figs, dried	170,910	
Peaches, dried	3,720	
Pears, fresh		15,000,000
Prunes, dried	254,250	39,330
Prunes, fresh		194,030
Raisins, dried	139,230	
Vegetables:		
Cabbage	136,500	
Irish potatoes	168,600	
Sweetpotatoes	172,700	
Turkeys		76,486
Total	3,855,868	16,577,350

In addition to the wide use made of the preservation centers in utilizing donated commodities, many States are broadening the use made of these centers to meet the needs of school lunch programs and tax-supported institutions. In the State of Washington, for example, food purchased from local farmers and canned for nine State institutions included 7 tons of snap beans, 130 tons of apricots, 20 acres of corn, and large quantities of peaches, cherries, pears, apples, prunes, beets, and tomatoes.

(b) Assistance and advice furnished to nonprofit food preservation centers during fiscal years 1949 and 1950

Project	Fiscal year 1949 (number)	Fiscal year 1950 (number)
Workshops conducted in food preservation training	120	51
Technical assistance furnished in modifying canneries and installing equipment	229	300
Plant surveys performed	85	176
Floor plans and equipment drawings developed and used	65	93

2. Marketing of abundant foods program

Programs conducted during fiscal years 1949 and 1950 to move extra quantities of plentiful foods through normal channels of trade

Project	Fiscal year 1949 (number)	Fiscal year 1950 (number)
Average number of foods listed on monthly abundant foods list	20	52
Distribution of monthly abundant foods list	7,000	25,000
National food drives conducted	7	15
Area, State, and local food drives conducted		14

E. MARKETING AGREEMENTS AND ORDERS

Marketing agreements and orders were in effect during fiscal years 1949 and 1950 for (1) milk and (2) tree nuts, tree fruits, potatoes, and other vegetables as follows:

1. Activities under the milk marketing agreement and order programs during fiscal years 1949 and 1950

Activity	Fiscal year 1949	Fiscal year 1950
Agreement and order programs in effect	30	37
Hearings held to consider amendments to existing orders or the issuance of orders in new areas	37	39
Requests received for new programs	16	26
Amendments issued to existing orders	43	24
Suspensions issued to existing orders	8	8
Petitions received for review of various order provision	14	16
Petitions disposed of during year	6	21
Court cases started during the year	19	11
Court cases disposed of during the year	13	17
Hearings held under Administrative Procedure Act	4	3
Applications reviewed from cooperatives for qualifications to participate under the act	15	17
Cases disposed of under the act	17	29

2. Milk marketing agreement and order programs in effect for fluid milk during fiscal year 1950

Markets		Estimated number of producers	Estimated annual production in milkshed
State	City		
			1,000 pounds
Illinois	Chicago and suburban, Rockford-Freeport	24,379	3,791,208
Illinois-Iowa	Quad Cities	1,430	128,154
Indiana	Fort Wayne, South Bend-LaPorte	2,094	185,586
Iowa	Clinton, Dubuque, Sioux City	881	82,479
Kansas	Topeka, Wichita	1,089	113,744
Kentucky	Louisville, Paducah	2,341	255,586
Kentucky-Ohio-West Virginia	Tri-State	1,681	129,028
Louisiana	New Orleans (61- to 70-mile zone)	2,756	230,880
Massachusetts	Boston, Fall River, Lowell-Lawrence, Springfield, Worcester	17,429	1,775,892
Minnesota	Minneapolis-St. Paul	5,679	54,238
Minnesota-Wisconsin	Duluth-Superior	1,385	106,545
Missouri	St. Louis	4,038	445,205
Missouri-Kansas	Kansas City	2,602	277,547
Nebraska-Iowa	Omaha-Council Bluffs	2,150	130,726
New York	New York (201- to 210-mile zone)	49,404	6,888,981
Ohio	Cincinnati, Cleveland, Columbus, Dayton-Springfield, Lima, Toledo	20,399	1,687,939
Oklahoma	Oklahoma City, Tulsa	1,938	41,095
Pennsylvania	Philadelphia	9,057	1,091,280
Tennessee	Knoxville, Nashville	1,412	187,510
	Total, 37 markets	152,144	17,603,623

3. Activities under the fruit and vegetable agreement and order programs during fiscal years 1949 and 1950

Activity	Fiscal year 1949	Fiscal year 1950
Agreement and order programs in effect	21	28
Hearings held to consider amendments to existing orders or the issuance of orders in new areas	11	19
Requests received for new programs	7	22
Amendments issued to existing orders	3	6
Suspensions issued to existing orders	0	0
Petitions received for review of various order provisions	8	0
Petitions disposed of during the year	7	1
Regulatory orders issued under provisions of marketing order	230	201
Appointment of administrative or control committees	39	52
Promulgation of committee rule making	35	43
Committee budgets approved	31	52

4. Fruits and vegetables marketing agreement and order programs in effect during 1950 fiscal year

Commodity	Estimated number of commerical producers	Estimated farm value
Citrus fruits:		
California-Arizona desert grapefruit	2,000	$2,600,000
California-Arizona lemons	6,100	32,300,000
California-Arizona oranges	20,000	71,200,000
Florida oranges [1]	15,000	124,900,000
Florida grapefruit [1]		43,300,000
Florida tangerines [1]		6,500,000
Deciduous fruits:		
California Tokay grapes	1,900	4,700,000
Colorado peaches	2,600	3,245,000
Georgia peaches	2,400	6,018,000
Utah peaches	1,300	1,167,000
California Bartlett pears [1]	1,200	10,499,000
California plums [1]	900	8,400,000
California Elberta peaches [1]	500	5,000,000
California Beurre Hardy pears	300	400,000
Oregon-Washington-California fall and winter pears	3,000	13,104,000
Oregon-Washington fresh prunes	600	4,000,000
Dried fruits:		
California dried prunes	7,500	24,987,000
California raisins	12,000	33,578,000
Vegetables:		
Colorado peas [1]	160	780,000
Colorado cauliflower [1]	200	798,000
Potatoes:		
Idaho-Oregon	10,535	41,500,000
Colorado	3,297	24,900,000
Oregon-California	1,278	14,000,000
Michigan-Wisconsin-Minnesota-North Dakota	15,558	80,200,000
Virginia-North Carolina	4,609	16,400,000
New Jersey	1,155	10,800,000
Eastern South Dakota	218	1,100,000
Maine	5,213	67,000,000
Washington	1,028	14,000,000
Nuts:		
Oregon-Washington filberts	3,800	2,473,000
Southeastern pecans	20,500	9,327,000
California-Oregon-Washington walnuts	19,000	27,540,000
Hops: California-Oregon-Washington-Idaho hops	843	21,584,000
Total		728,300,000

[1] 1 program.

Mr. HORAN. How has the program for encouragement of exportation worked out?

Mr. BEACH. For the fiscal year 1951, we anticipated that a total of $24,000,000 would be spent for encouraging exportation, of which $6,000,000 was on citrus fruits, $4,000,000 on deciduous fruits, $3,500,000 on dried fruits, $2,000,000 on flaxseed, $7,000,000 on grain, sorghums, and $750,000 on linseed oil; $900,000 on honey, and $1,000 on cotton.

That makes up a total of about $24,000,000 payments to exporters to encourage them to export these commodities. Some of that cost is also under section 112(f) of the Foreign Assistance Act of 1948.

Mr. HORAN. I have no objection to the prosperity of the cotton grower. Do not misunderstand me.

Mr. BEACH. There was only $1,000 for cotton here.

Mr. HORAN. I want to know why that item was in here.

Mr. BEACH. Cotton?

Mr. HORAN. Yes.

Mr. TRIGG. There is a program that the Department has long had, Mr. Horan, where, to encourage exportation of cotton, so many cents per pound was paid exporters. At one time it was up to 4 cents a pound; now it has been reduced to where it is only 10 cents a bale.

For cotton that is registered for export, exporters can register it and collect the 10 cents if they want to. It was reduced in order just to keep it alive, keep it on the books as a matter of fact; but still make it where it was unattractive to register it to get the 10 cents.

But in this case there was $1,000 used, or will be used.

Mr. HORAN. Could we not just make a notation to put it back there in some assistance to the cotton farmer, as indicated? I am certainly for it when the need is there, but it does not exist today and it must at least be a bookkeeping expense to keep the program alive.

Mr. WHITTEN. I am familiar with it, although I was not aware that it was still being carried. But cotton has been a source of trouble from the standpoint of surplus for so many years, that there was a fight on the part of those in the cotton areas to keep it recognized as a potential surplus.

For that reason they have agreed that you should reduce it as far as you wanted to as long as you kept it recognized as a source of possible trouble.

Now, that is background.

Mr. HORAN. What is the cost of keeping this token item?

Mr. BEACH. The cost last year, Mr. Horan, was $260.

Mr. HORAN. That was the total outlay?

Mr. BEACH. Total payments; yes, sir. On a total of 2,600 bales, we paid 10 cents a bale.

Mr. HORAN. Does that include the total administrative cost of keeping that item on the books?

Mr. BEACH. No; that was the payment cost. One thousand dollars was the estimate for the fiscal year 1951, which of course would be changed now since Korea.

Mr. HORAN. Would you provide for me the administrative cost of keeping that item on the books?

Mr. TRIGG. Yes, sir. We will provide you with a figure on that, Mr. Horan.

Mr. HORAN. I am not against the cotton farmer. Do not misunderstand me. Sometimes when you ask about these various commodities, people get that impression. That is not so. But I am looking at these items. I would like to know.

(The above-requested information is as follows:)

For this fiscal year, a total of $670 in payments has been made. The administrative cost of making such payments is estimated to be $18.

Mr. TRIGG. If I may, Mr. Horan, I would also like to point out in connection with that program that it was announced before July 1 of this past year. We run it for a year; in other words, from July 1, 1950, to June 30, 1951. It was set up and announced before Korea, for instance. The purpose of keeping it alive was to keep it in motion where we could encourage the exportation of cotton, if it be needed.

Mr. WHITTEN. It is not needed. You just use it normally as you have represented?

Mr. TRIGG. That is right, yes.

ADMINISTRATIVE EXPENSES, SECTIONS 388 AND 392

ADMINISTRATIVE EXPENSES, SECTION 392, AGRICULTURAL ADJUSTMENT ACT OF 1938—

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Transferred, pursuant to 7 U. S. C. 1392, from—			
"Conservation and use of agricultural land resources, Department of Agriculture"	$4,992,439	$4,966,000	$4,966,000
"Acreage allotments and marketing quotas, Department of Agriculture"	4,967,324	5,000,000	4,900,000
"Sugar Act program, Department of Agriculture"	729,260	730,000	730,000
"National school lunch program, Department of Agriculture"	86,620	121,347	121,347
"Removal of surplus agricultural commodities, Department of Agriculture"	503,290	412,342	412,342
Transferred to "Operating expenses, General Services Administration," pursuant to Reorganization Plan No. 18 of 1950		−6,430	
Adjusted appropriation or estimate	11,278,933	11,223,259	11,129,689
Unobligated balance, estimated savings	−293,506		
Total direct obligations	10,985,427	11,223,259	11,129,689
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	2,345,627	2,066,000	2,233,000
Payments received from non-Federal sources	966,615	1,584,752	1,584,752
Total reimbursable obligations	3,312,242	3,650,752	3,817,752
Total obligations	14,297,669	14,874,011	14,947,441

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
National and State operating expenses	$10,985,427	$11,223,259	$11,129,689
REIMBURSABLE OBLIGATIONS			
National and State operating expenses	3,312,242	3,650,752	3,817,752
Total obligations	14,297,669	14,874,011	14,947,441

Administrative Expenses, Section 392, Agricultural Adjustment Act of 1938—Continued

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	3,000	3,041	3,075
Full-time equivalent of all other positions	85	87	82
Average number of all employees	2,902	2,945	2,927
Personal service obligations:			
Permanent positions	$10,465,139	$11,066,961	$11,188,883
Part-time and temporary positions	428,151	423,564	397,024
Regular pay in excess of 52-week base	34,285		36,439
Payment above basic rates	142,255	130,750	133,000
Total personal service obligations	11,069,830	11,621,275	11,755,346
DIRECT OBLIGATIONS			
01 Personal services	8,490,477	8,947,673	8,937,150
02 Travel	1,458,084	1,219,256	1,219,256
03 Transportation of things	61,034	64,757	50,959
04 Communication services	271,834	281,225	281,225
05 Rents and utility services	336,441	338,202	337,766
06 Printing and reproduction	22,371	40,000	40,000
07 Other contractual services	42,826	41,725	35,484
Services performed by other agencies	967		
08 Supplies and materials	177,088	180,956	130,022
09 Equipment	124,305	101,965	82,827
15 Taxes and assessments		7,500	15,000
Total direct obligations	10,985,427	11,223,259	11,129,689
REIMBURSABLE OBLIGATIONS			
01 Personal services	2,579,353	2,673,602	2,818,196
02 Travel	418,544	595,059	625,182
03 Transportation of things	14,499	18,036	17,968
04 Communication services	72,409	88,080	93,133
05 Rents and utility services	93,397	114,650	115,086
07 Other contractual services	52,970	62,482	56,624
08 Supplies and materials	45,596	55,608	53,507
09 Equipment	35,474	43,235	38,056
Total reimbursable obligations	3,312,242	3,650,752	3,817,752
Total obligations	14,297,669	14,874,011	14,947,441

Local Administration, Sec. 388, Agricultural Adjustment Act of 1938

Funds available for obligation

	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Transferred, pursuant to 7 U. S. C. 1388, from—			
"Conservation and use of agricultural land resources, Department of Agriculture"	$20,854,000	$20,284,000	$20,284,000
"Acreage allotments and marketing quotas, Department of Agriculture"	24,903,450	20,500,000	18,805,000
"Sugar Act, program, Department of Agriculture"	385,000	345,000	345,000
"Removal of surplus agricultural commodities, Department of Agriculture"	79,602	75,000	75,000
Transferred to "Operating expenses, General Services Administration," pursuant to Reorganization Plan No. 18 of 1950		−354	
Adjusted appropriation or estimate	46,222,052	41,203,646	39,509,000
REIMBURSABLE OBLIGATIONS			
Reimbursements for services performed	22,212,828	1,600,000	1,600,000
Payments received from non-Federal sources	3,049,955	5,900,000	5,900,000
Total reimbursable obligations	25,262,783	7,500,000	7,500,000
Total obligations	71,484,835	48,703,646	47,009,000

LOCAL ADMINISTRATION, SEC. 388, AGRICULTURAL ADJUSTMENT ACT OF 1938—Continued

Obligations by activities

Description	1950 actual	1951 estimate	1952 estimate
DIRECT OBLIGATIONS			
Local operating expenses	$46,222,052	$41,203,646	$39,509,000
REIMBURSABLE OBLIGATIONS			
Local operating expenses	25,262,783	7,500,000	7,500,000
Total obligations	71,484,835	48,703,646	47,009,000

Obligations by objects

Object classification	1950 actual	1951 estimate	1952 estimate
Total number of permanent positions	21	21	21
Average number of all employees	20	21	21
DIRECT OBLIGATIONS			
01 Personal services:			
Permanent positions	$80,351	$85,480	$85,530
Regular pay in excess of 52-week base	306		320
Total personal services	80,657	85,480	85,850
02 Travel	5,135	6,000	6,000
03 Transportation of things	149	150	150
04 Communication services	737	750	750
05 Rents and utility services	3,600	3,600	3,600
07 Other contractual services	1,205	1,200	1,200
08 Supplies and materials	10,285	10,745	10,375
09 Equipment	3,283	500	500
Not distributed by objects	46,117,001	41,095,221	39,400,575
Total direct obligations	46,222,052	41,203,646	39,509,000
REIMBURSABLE OBLIGATIONS			
Not distributed by objects	25,262,783	7,500,000	7,500,000
Total obligations	71,484,835	48,703,646	47,009,000

Mr. WHITTEN. We come now to administration, sections 388 and 392 of the Agricultural Adjustment Act.

I would like to have pages 187, 188, 189, and 190 inserted in the record at this point.

(The pages are as follows:)

LOCAL ADMINISTRATION, SECTION 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

This appropriation account for PMA county offices was established pursuant to sections 392 (a) and 388 (b) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407). There are transferred into this appropriation account amounts estimated by the Secretary of Agriculture to be required for carrying out or cooperating in carrying out various programs assigned to the PMA county offices.

The PMA county and community committees are responsible for the local administration of all programs of the Production and Marketing Administration dealing directly with farmers. The elected PMA county committee is in charge of the county offices.

The amounts transferred into this appropriation account are within the limitation for administrative expenses established under the respective appropriations from which such transfers are made. The justification of the increases and decreases is contained in the statements for the various appropriation items involved.

Transfers, 1951, as shown below and base for 1952	$41, 203, 646
Transfers, 1952, as shown below	39, 509, 000
Decrease	−1, 694, 646

Statement of sources, purposes, and amounts of funds transferred as shown in budget schedules

Purpose for which funds are transferred into this account	1950	1951 (estimated)	1952 (estimated)	Increase (+) or decrease (−)
Conservation and use of agricultural land resources: For administration of agricultural conservation program	$20, 854, 000	$20, 284, 000	$20, 284, 000	
Acreage allotments and marketing quotas: For administration of acreage allotment and marketing quota programs	24, 903, 450	20, 500, 000	18, 805, 000	−$1, 695, 000
Sugar Act program: For administration of sugar payment program	385, 000	345, 000	345, 000	
Removal of surplus agricultural commodities: For services in connection with certain distribution and purchase programs	79, 602	75, 000	75, 000	
Total available [1]	[2] 46, 222, 052	[2] 41, 204, 000	[2] 39, 509, 000	−1, 695, 000
Transferred to "Operating expenses, General Services Administration"		−354		+354
Total obligations	46, 222, 052	41, 203, 646	39, 509, 000	−1, 694, 646

[1] Does not include reimbursements received directly by the county committees for services rendered Federal agencies.

[2] Includes allotments to the Forest Service for administration of the naval stores conservation program as follows: 1950, $105,051; 1951, $108,425; 1952, $108,425.

Administrative Expenses, Section 392, Agricultural Adjustment Act of 1938

This appropriation account for national and State operating expenses was established pursuant to section 392 of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1281–1407). There are transferred into this appropriation account amounts estimated by the Secretary of Agriculture to be required for carrying out, or cooperating in carrying out, various programs assigned to the national and State PMA offices.

The State committees, appointed pursuant to the provisions of section 8 (b) of the Soil Conservation and Domestic Allotment Act, are in general administrative charge of all programs in their respective States which are assigned to them by the Production and Marketing Administration. Within the framework of the national policy, they determine State policies and direct the adaptation of the national programs to the State.

The amounts transferred into this appropriation account are within the limitation for administrative expenses established under the respective appropriations from which such transfers are made. The justification of the increases and decreases is contained in the statements for the various appropriation items involved.

Transfers, 1951, as shown below and base for 1952	$11, 223, 259
Transfers, 1952, as shown below	11, 129, 689
Decrease	—93, 570

Statement of sources, purposes, and amount of funds transferred as shown in budget schedules

Purpose for which funds are transferred into this account	1950	1951 (estimated)	1952 (estimated)	Increase (+) or decrease (−)
Conservation and use of agricultural land resources: For administration of agricultural conservation program	$4,992,439	$4,966,000	$4,966,000	.....
Acreage allotments and marketing quotas: For administration of acreage allotments and marketing quota programs	4,967,324	5,000,000	4,900,000	−$100,000
Sugar Act program: For administration of sugar payment program	729,260	730,000	730,000	.....
National school lunch program: For services in connection with the school lunch program	86,620	121,347	121,347	.....
Removal of surplus agricultural commodities: For services in connection with certain distribution and purchase programs	503,290	412,342	412,342	.....
Total available	11,278,933	11,229,689	11,129,689	−100,000
Transferred to "Operating expenses, General Services Administration"	.....	−6,430	.....	+6,430
Unobligated balance, estimated savings	−293,506	.....	.....	.....
Total obligations	[1] 10,985,427	[2] 11,223,259	[3] 11,129,689	−93,570

[1] Includes allotments, Forest Service $19,695; Extension Service $950; Bureau of Agricultural Economics $40,261.
[2] Includes allotments, Forest Service $21,304; Extension Service $1,000; Bureau of Agricultural Economi $22,000.
[3] Includes allotments, Forest Service $21,304; Extension Service $1,000.

Mr. WHITTEN. These are the two accounts we discussed this morning, and pages 187 and 189 show the transfers into these accounts and the transfers out.

Is there any particular point in consolidating those two? Would it save any book work or any expense?

Mr. BEACH. Mr. Chairman, they serve two separate purposes. The 392 account serves the State and national offices only. The 388 account serves only the county offices.

Mr. WHITTEN. The thing that disturbs me here, and I have tried several years to get it, is you folks say you take into consideration this money allocated to the county. You mark it up as having been spent the minute it gets down to the county level, but when we try to find out what carry-over you have in considering this year's appropriation, we cannot find that.

Now, once we make our appropriation and turn it over to you and you get ready to allocate it, you take their balances into consideration. But we are not given a chance to take that into consideration in our appropriation here. Is that not about right?

Mr. TRIGG. We certainly take it into consideration, Mr. Chairman. If we are not giving you what you need, we want to do it.

Mr. WHITTEN. I mean this: You allocate to the county level. You allocate to the State, and then the State to the county level, and then on your books that money is gone.

Mr. BEACH. It is obligated.

Mr. WHITTEN. It is obligated. Then you come up for a new appropriation. Maybe in county X they did not participate any-

thing like you thought they would. A large balance is to their credit. When you come up here for your appropriation, you indicate that you have exhausted all your money from last year. We make our appropriation and give you the funds; then when you get those funds you say, "Give me a report now and we will take into consideration what you have already got before we give you any more." But you do not give this committee the same opportunity, do you?

Mr. BEACH. It is not provided in the particular set of schedules we give you.

Mr. WHITTEN. That is the reason I am asking about consolidating the funds. Would that improve it in any way?

Mr. BEACH. Mr. Chairman, we have to get the information from the county offices. We could give you the information of the balances in those bank accounts as of June 30, which we would be glad to do. We can do it regularly as a part of our regular appropriation procedure, if you so desire.

There is no advantage in consolidating 388 and 392 from the standpoint of reducing work. As we see it, one is purely for the county offices and is considered as funds appropriated for assistance to farmers. In other words, it is deducted from cash assistance; whereas the State and national expense is a limitation on the amount to be used for administrative expenses as set forth in the appropriation bill.

Mr. WHITTEN. Your approval of what they spend for local offices is taken out of the amount of money allocated for the conservation program?

Mr. BEACH. That is correct, as far as the county offices are concerned.

Mr. WHITTEN. The way this committee handles it is by limiting the amount they can expend for administrative funds.

Mr. BEACH. That is right.

Mr. WHITTEN. I would like to have a report with regard to the research funds you have handled. What is the basis for handling this work and how much money is there that you have from this source?

Mr. TRIGG. Mr. Chairman, I am going to ask Mr. Lennartson to talk on that, or Mr. Beach.

Mr. BEACH. Total funds in the fiscal year 1950?

Mr. WHITTEN. What will you have in this present fiscal year? What do you intend to have for next year?

Mr. BEACH. $2,533,000 for 1951, as compared with $2,672,500 last year. That reflects allotments to us from ARA. The estimate for 1952 is $2,395,500. So we have trimmed down since 1950.

Mr. WHITTEN. Do you have any funds carried for research purposes other than what you get from RMA?

Mr. BEACH. Very little is considered as pure research. For example, the work on standardization under regular marketing service is for the purpose of putting into use the results of research; but we do not consider it in the same category as pure research.

STATEMENT OF ALLOTMENTS, WORKING FUNDS AND TRUST FUNDS

Mr. WHITTEN. I believe that I will ask that the tables on page 191 through 195 be included in the record at this point.

(The material is as follows:)

Statement of allotments, working funds, and trust funds

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Research and Marketing Act of 1946 (title II), Department of Agriculture (Production and Marketing Administration): Marketing research and services	$2,599,411	$2,533,000	$2,395,500
Flood control, Department of Agriculture (Production and Marketing Administration): For collection, tabulation, and analysis of county data on conservation needs of the areas covered by survey reports; and to assist in the preparation and analysis of proposed reports		114,000	102,300
Supply and distribution of farm labor, Department of Agriculture (Production and Marketing Administration): Expenses in connection with the disposal of farm labor camp facilities	74,648		
Payments for agricultural adjustment: For claims incurred under the provisions of the Agricultural Adjustment Act, as amended (rental and benefit payment program)	20		
Perishable Agricultural Commodities Act fund: For licensing dealers and handling complaints under the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Act	297,910	375,000	375,000
Working fund, Agriculture (Production and Marketing Administration) advanced from Department of Army:			
Inspection of processed fruits and vegetables	201,429	208,751	
Inspection of miscellaneous grain and cereal products	30,228	100,000	
Total, Department of Army	231,657	308,751	
Working fund, Agriculture, general (Production and Marketing Administration) Advanced from:			
Department of the Air Force: Indexing and preparation of aerial photographs for mosaics and charting purposes	114,143	131,270	
Department of the Army: To cover the cost of providing in connection with a comprehensive survey of the Arkansas-White-Red River basin		19,000	
Total, working fund, Agriculture, general	114,143	150,270	
Total, working funds	345,800	459,021	
TRUST FUNDS			
Expenses and refunds, inspection and grading of farm products:			
Inspection and grading and certification of:			
Fresh and processed fruits and vegetables	1,603,537	1,458,720	1,500,000
Dairy and poultry products	2,512,588	2,624,620	2,600,000
Rice, hay, beans, peas, seed, hops and miscellaneous agricultural commodities	516,342	565,670	550,000
Meats and wool	1,387,525	1,437,075	1,425,000
Naval stores	21,139	27,250	25,000
Total	6,041,131	6,113,335	6,100,000
Grading of agricultural commodities, Department of Agriculture:			
Classification of cotton	257,116		30,000
Grading of wool and mohair	408,209	35,000	
Total	665,325	35,000	30,000
Indemnity funds, county associations: Assessments derived from each county agricultural conservation association to insure reimbursement to affected persons or agencies for losses of money or property by negligence or malfeasance by any employee of the association	807	500	500
Moisture content and grade determinations for Commodity Credit Corporation: Testing and sampling of commodities to determine loan eligibility under commodity loan programs	2,404,490		
Undistributed cotton price adjustment payments: Deposits by trustees until proper distribution could be made to the persons entitled to share in a farms payment under the 1935 cotton prices adjustment program	2,866	126	100
Return of excess deposits for reproduction of photographs, mosaics, and maps (Production and Marketing Administration): For return of moneys received for photographic reproductions in excess of cost of making such reproductions		46,205	

Statement of allotments, working funds, and trust funds—Continued

Item	Obligations, 1950	Estimated obligations, 1951	Estimated obligations, 1952
Miscellaneous contributed funds, Department of Agriculture (Production and Marketing Administration): For miscellaneous contributed funds received from States, local organizations, individuals, etc., deposited in the Treasury of the United States and made available for work under cooperative agreements	$169,198	$100,000	$90,000
Total, trust funds	9,283,817	6,295,166	6,220,600
Expenses of defense production, Executive Office of the President (allotment to Agriculture) (Production and Marketing Administration): For carrying out the provisions of the Defense Production Act of 1950		[1] 600,000	
Mutual defenses, assistance, North Atlantic area, Executive Office of the President (allotment to Agriculture) (Production and Marketing Administration): For procurement of commodities for Yugoslavia pursuant to authorization of the Department of State		[1] 13,600,000	
Foreign assistance, Executive Office of the President (allotment to Agriculture) (Production and Marketing Administration): Administrative expenses	150,194	144,500	
Mutual defense assistance, Greece and Turkey, Executive Office of the President (transfer from Economic Cooperation Administration to Agriculture) (Production and Marketing Administration): For providing or procuring services or commodities including transportation and other necessary costs for the Economic Cooperation Administration for distribution to Greece and Turkey	1,711,247	[1] 155,753	
Expenses, ECA, Executive Office of the President (allotment to Agriculture) (Production and Marketing Administration): For purchase of agricultural commodities for the ECA for distribution to foreign claimants	263,012,501	147,885,488	
Expenses, China aid, ECA (allotment to Agriculture) (Production and Marketing Administration): For purchasing, procuring, and transporting agricultural commodities for the ECA for distribution to China		15,000,000	
Relief in occupied area of Germany, ECA (allotment to Agriculture) (Production and Marketing Administration): For providing or procuring services or commodities including transportation and other necessary costs for the Economic Cooperation Administration for distribution to Occupied Area of Germany	86,550,483		
Deposits, advances for economic assistance, ECA (advance to Agriculture) (Production and Marketing Administration): For providing or procuring services or commodities including transportation and other necessary costs for the Economic Cooperation Administration for distribution to India		[1] 7,000,000	
Assistance to the Republic of Korea, ECA (allotment to Agriculture) (Production and Marketing Administration): For procurement of services or commodities including transportation and other necessary costs for the Economic Cooperation Administration for distribution to Korea		[1] 1,453,000	
Total, obligations under allotments, working funds, and trust funds	364,026,031	195,614,928	9,093,400

[1] Allotment as of Dec. 31, 1950.

RMA Research Projects

Mr. Whitten. In view of this changed situation of supply and demand and with the present emergency existing, how much of this work that you are going to do in marketing research is going to be applicable to a period of years that may come after the emergency?

In other words, are we not developing answers at an abnormal time which may not mean too much after we get them?

Mr. Trigg. Of course, Mr. Chairman, it is hard to say when the answer is going to come on a research project. You may get it tomorrow and you may get next year, or several years from now.

You may have a good point. Maybe we will have the answers. But the feeling is that with respect to the projects that we are working on now and the work that is being done on them, the answers have long been needed; and I do not believe that it is going to work a detriment to us. In other words, if we get them too fast, if we get the answers on a particular marketing problem, we may not use it this year. But I think it will be equally good next year or the following year.

Mr. WHITTEN. I think research on certain grades and qualities of apples, oranges, and things of that sort, may be of real importance under normal conditions. But if the supply is short and the consumer has to take what he can find, it is pretty hard to find any answer which will be any good when conditions change the situation.

Mr. TRIGG. We are taking steps to reduce or eliminate a number of projects. As a matter of fact, the total that we expect to reduce or eliminate dollar-wise in 1952 amounts to $137,500 less than in the current fiscal year. About 8 or 10 projects will be reduced or eliminated entirely.

Mr. HORAN. Mr. Chairman, that is something that only Mr. Trigg can do for us. It is not our job as an appropriations subcommittee to tell you what projects to eliminate. But it would seem to me, and I am one who is really interested in these things, that some of the things in the name of the war effort we could postpone.

Mr. TRIGG. Well, it is my feeling that that is true, Mr. Horan, that some of these things we can and we should eliminate. That is the reason why we have gone through and, based on what the situation is right now, we feel certain we can pare down some of them and eliminate them.

Mr. HORAN. Only $137,000?

Mr. TRIGG. As of right now, $137,500.

Mr. HORAN. I do not want them eliminated. I want them postponed until we know where we are.

Mr. LENNARTSON. Would you like to have me comment?

Mr. TRIGG. Sure, go ahead.

Mr. LENNARTSON. Mr. Chairman, you mentioned consumer preference. Our activities in PMA are not aimed at consumer preference. That work is done by the BAE. Our work in research and marketing is aimed primarily at improving the efficiency of the marketing system right from the time it begins with the farmer, right through the retail stores.

Certainly in these days and months ahead any improvement we can bring about in the efficiency of marketing from the standpoint of saving materials and labor and increasing our labor efficiency and so on is going to be extremely important.

With respect to reviewing the projects, we have reviewed them carefully in PMA, and we are working on this very closely with the Administrator of the ARA.

Mr. WHITTEN. What disturbs us about this, as Mr. Horan pointed out, is that there is no way for the committee to pass judgment on each item.

We have a war on. Lots of folks want additional money for work resulting from the war, but we cannot find any substantial amounts of reductions proposed.

That applies to your agency as well as it does to those that preceded you. You are saving some money on acreage allotments because of

course there will be none. But the money for this year which was not used, I understand that you are fixing to ask that you be allowed to use that for another purpose, so there is no saving there particularly.

Mr. TRIGG. Mr. Chairman, if you would like, I have here some examples of accomplishments that we have made under the RMA program, and it deals pretty much in detail with it, if you would like to have it inserted.

Mr. WHITTEN. I would be glad to have that inserted in the record.

(The material requested is as follows:)

EXAMPLES OF ACCOMPLISHMENTS UNDER RMA RESEARCH PROJECTS

More and more research emphasis must be placed upon evaluating and developing ways and means for improving the efficiency of our marketing system from the farm gate through the retail food store. Such has been a major objective of much of our research conducted under the Research and Marketing Act in order that increased efficiencies of our marketing system might make it possible to increase returns to farmers, lower prices to consumers, or a combination of both. This objective will have added importance in the months ahead, particularly in view of possible shortages of labor and materials, transportation problems, and the need for preventing unnecessary loss and deterioration of vital food supplies.

In order to accomplish the maximum in this regard, both industry and Government need to know the answers to many questions including: Can prepackaged fruits and vegetables and meat be marketed at less cost than in bulk? If so, at what point in the distribution chain should the prepackaging be done? What causes excessive damage and loss to agricultural commodities in transit? Is it the result of rough handling by the carriers, rough handling in loading and unloading, improperly designed containers, or improper methods of loading and bracing? How can the handling of commodities into, within, and out of warehouses be improved so as to reduce costs? What should be done to improve the efficiency of our concentration, wholesale and terminal markets and otherwise reduce loss and damage to commodities in those markets? When do major losses in quality and deterioration of perishable commodities occur in the marketing channel and how can it be prevented? How can the quality of commodities be maintained for longer periods in storage? How can shipping containers be improved so as to reduce damage to those commodities in transit? How can the handling, preparation and display of fresh fruits and vegetables, and poultry and egg products be improved so as to reduce losses and deterioration of those products? Can the efficiency of receiving, price marking, shelving, check-out and other operations in retail food stores be improved so as to reduce costs?

Fortunately many of our RMA projects have been directed toward the above purposes since their inception. They have and will make notable contributions to increases in marketing efficiency. We are at the present time reviewing each of our research projects from the standpoint of their probable contribution to the emergency situation. Decisions regarding their redirection, reduction, deferment or termination because of the emergency will be worked out in collaboration with the ARA and the individual RMA advisory committees.

What are some examples of research under way in PMA the results of which may be of direct benefit in effecting economies in the marketing of our food and fiber products? What results have we obtained in connection with this work?

Project 44. Prepacking of perishable horticultural products

Objectives.—To develop improved methods of prepacking fresh fruits and vegetables which are more efficient and which will preserve quality; to reduce labor costs of prepackaging produce by developing new equipment, improved plant lay-outs and more efficient packaging techniques; and to determine net returns to growers when produce is marketed in prepackaged form in comparison with bulk containers and the point in the marketing chain at which prepackaging should be done.

Accomplishments—(1) Development of a successful method of prepackaging fresh, husked sweet corn at point of production.—The corn is husked, precooled, cleaned, trimmed to specific ear lengths and then packaged in cardboard food trays and overwrapped in cellophane. It is kept under constant refrigeration from the time it is packaged until sold to the consumer, which permits delivery to the consumer in more acceptable form and superior quality. This method also enabled increased returns to growers (*a*) short ears which were formerly unsalable in the

husks were sold commercially by trimming them to 3½ inch servings; (*b*) increased returns on the farm where the experiment was undertaken amounted to about $27,000; (*c*) about 60 percent of the weight of the corn was left on the farm as husks and trimmings to be used as cattle feed. These two items alone offset the higher expense of packaging labor and materials. Studies in retail stores showed there was an 80 percent reduction in spoilage losses in retailing prepackaged sweet corn.

Much of this work was done through cooperative arrangements with the Florida Prepackaging Council, the Florida Experiment Station, and a large shipper.

(2) *Development of a method of prepackaging apples at point of production.*—A method of packaging apples in 3- 4- or 5-pound transparent-film bags was developed which has been commercially adopted by many apple shippers. An apple bagging chute was developed on which a public patent is being obtained, which results in savings of nearly 1 cent per bag through semimechanical filling of bags instead of hand filling. Savings in packing labor, combined with use of a less expensive cardboard container, practically compensate for the additional cost of consumer-size film bags.

Prepackaging of apples in transparent bags offers two simple advantages: (1) Delivery of higher quality apples, and (2) efficiency of marketing is increased through savings in retail labor expense and spoilage losses. Savings in labor expense to display and sell prepackaged apples were found to average between 8 and 15 cents per box of apples, and savings in spoilage losses averaged 2 to 9 cents per box of 42 pounds of apples.

Much of this work has been done under contract with the Washington State Apple Commission.

Project 167. Reduction of waste through improved packaging and loading techniques

Objective.—(1) To find practical, inexpensive ways of reducing the present excessive loss, damage, and spoilage of various perishable agricultural products in rail and truck transportation; and (2) to develop and test new loading techniques that will reduce the costs of loading, stowing, bracing, and unloading these commodities.

Accomplishments.—1. Savings in refrigeration costs to peach shippers of $27 per car on shipments from South Carolina to some eastern terminals was found to be practicable by use of 4-layer high loads instead of the present 3-layer loads. Use of 4-layer loads would also produce savings to the railroad in haulage costs up to $85 per car on shipments between the same points.

2. Damage to watermelon shipments can be reduced by 10 percent by use of excelsior pads for padding the end walls of the cars instead of the commonly used straw. Melons shipped in ventilated boxcars were found to suffer less bruising and cracking damage than those shipped in refrigerated, stock, or common boxcars. Some varieties of melons were found to suffer three times as much damage during rail transportation as other varieties primarily because of differences in natural characteristics.

3. Reduction of damage in rail shipments of shell eggs due to faulty loading by as much as 50 percent was found to be possible through elimination of all lengthwise slackness in loads before shipment.

4. Jumbo crates of cantaloups loaded on end, rather than lengthwise, the usual method of loading, reduce bruising of the fruit during shipment by about 50 percent and crate breakage by about two-thirds, according to preliminary results of test shipments. On the basis of 1949 railroad claim payments for damaged crates of cantaloups, on-end loading would prevent several hundred thousand dollars worth of damage a year.

5. Shippers may realize substantial savings by using less container ice in packing western-grown lettuce. The use of less crate ice would not only make important savings in the cost of ice needed but would also reduce the amount of packing injury to the commodity. Ice bruising was slight in containers with only 10 pounds of ice. Damage was progressively greater in crates containing more ice. Approximately 80 pounds of pressure was required to close the lids on crates containing no ice, as compared with 190 pounds for those crates packed with 30 pounds of ice. The water-soaked appearance of the leaves due to bruising was most severe in those crates with the greatest amounts of crate ice, especially those in which the ice had not completely melted at the end of the experiment. Some freezing injury developed in top-layer crates covered by top ice on the load, and this damage was greatest in those containing the most ice. The importance of savings that can result from avoiding use of excessive quantities of ice may be

illustrated as follows: An average reduction of 10 pounds of ice per crate would represent an approximate annual saving to growers of over $400,000, in the cost of ice alone on shipments originating in California and Arizona. That figure does not include savings from reduction of bruising.

Project 203. Improved transportation of farm products

Objective.—To reduce the cost of transportation, loading, and unloading, and to cut losses of agricultural products through damage and deterioration in transit by obtaining the most efficient and economical carrier equipment, facilities and methods of use.

Accomplishments—1. Mechanical refrigerator car.—The acquisition by a refrigerator car line of 100 mechanically operated refrigerator cars of two different types has followed work in this field. A manufacturer of mechanical refrigeration equipment for motor vehicles was encouraged to develop an automatic mechanical refrigeration and heating system for railroad cars. The car is fully automatic, thermostatically controlled and has the ability to maintain any desired temperature from 0° to 60° F. regardless of outside temperatures. A series of tests during 1949 and early 1950 demonstrated that the car was dependable, and was particularly effective for the transportation of frozen foods.

2. *Utilization of carrier equipment.*—A study of the movement of approximately 23,000 carloads of various kind of agricultural commodities disclosed that over 20,000 of those cars were delayed in transit and that the average delay to these cars was more than 80 percent of the normal transit time. The study also showed that more than one-third of the total cars shipped required at least twice the normal transit time in moving from origin to destination. If the turn-around time on all cars loaded in 1948 had been reduced only one day it would have been equivalent to adding 117,000 cars to the raiload fleet. Information regarding these delays was made available to the railroads and to the Interstate Commerce Commission.

Project 76. Increasing efficiency in marketing eggs and maintaining their quality

Objective.—To increase the efficiency of egg marketing and reduce deterioration of eggs during marketing, so as to bring larger returns to producers and increase the proportion of high-quality eggs available to consumers. Current work is designed to measure the quality losses in marketing eggs, to determine practical methods for producers and handlers to follow in avoiding quality losses, to analyze opportunities for reducing costs as applied to (1) the country collection of eggs; (2) the operation of small country buying plants; (3) the operations of large concentration plants; (4) the retailing of eggs, and (5) the movement of eggs between these points; and to develop background for quality and grade standards for frozen eggs and egg products.

Accomplishments—(1) *Farm practices and egg quality.*—A study in cooperation with 13 north central experiment stations has shown that one-third of the eggs delivered by producers in those States were below A quality. In addition, one egg out of each eight declined to a lower grade between the first buyer and the carlot assembler. A comparison of farm practices and egg quality marketed by farmers showed two factors to be of real importance in maintaining the original high level of quality in eggs: (1) Temperature of the egg room, and (2) number of times eggs were gathered. Farms that gathered eggs two times daily marketed 12 percent more grade A eggs than those that gathered once a day. Those that gathered three times daily marketed 10 percentage points more grade A eggs than those that gathered twice daily. Holding room temperatures for eggs averaging about 60° F. enabled farmers to sell 10 percent more grade A eggs than those with holding room temperatures averaging about 75° F.

(2) *Storage of shell eggs.*—A study of changes in egg quality during storage showed the relative amount of change in quality that resulted when eggs were stored early and late in the storage season, and when eggs of different qualities were stored. Eggs stored early in the storage season deteriorated less than those stored late, and low-quality eggs deteriorate at a more rapid rate than high-quality eggs. Thus, eggs should be stored early in the season and preferably only high-quality eggs stored. If low-quality eggs are stored they should be held only for a short time.

Project 77. Improving egg-processing facilities and practices

Objective.—To improve and to reduce the costs of processing, grading, handling, and storage of eggs so as to provide higher-quality products, thus broadening market outlets. Present work is aimed at improving accuracy and reducing costs in candling eggs, developing better methods of maintaining high quality

during storage, destroying harmful bacteria in egg products, and developing more efficient methods of cleaning dirty eggs.

Accomplishments.—1. *Thermostabilization maintains quality of shell eggs.*—The thermostabilization of shell eggs has demonstrated that superior keeping quality in cold storage was accomplished by heating shell eggs in oil for 16 minutes at 130° F. Eggs so treated, after 8 months' storage, yielded 55 grade A compared to 2 percent for untreated eggs, and 42 percent for eggs treated with the cold-oiling process. It was determined, however, that the whipping quality of the egg white was reduced materially by the process. The use of this method will conserve food by increasing the amount of high-quality shell eggs coming out of storage, the conservation of storage space by reducing spoilage and deterioration, and the possibility of holding eggs for short periods without refrigeration.

2. *Pasteurization of liquid eggs reduces salmonella.*—Pasteurization of liquid whole eggs by holding the liquid at 140° F. for 2 minutes resulted in marked reduction of bacteria. Adapting methods to practical use under commercial operations is being given attention. Products with low bacterial counts are less subject to spoilage and deterioration under adverse conditions of handling and storage, thus contributing to the conservation of food and the easing of storage requirements.

Project 75. Developing, demonstrating, and promoting more efficient market facilities, organization, and equipment for handling farm products

Objective.—To plan and promote the construction of more efficient market facilities for assembling, grading, packing, storing, shipping, and distributing farm products in terminal and secondary markets and concentration points; to determine the comparative efficiency of different types or combinations of types of materials-handling equipment for performing specific handling operations; to develop more efficient methods of using such equipment; and to determine the amounts of equipment needed to perform most efficiently the periodic workloads in the facilities of different types of handlers.

Accomplishments—1. *Construction of proper market facilities.*—During the past year work was done in 26 cities and producing areas located in 17 States and Puerto Rico. Completed reports and recommendations have been issued for 26 localities. Facilities have been constructed or improved in Jackson, Miss., Trenton, Atlanta, Greenville, S. C., Benton Harbor, Dallas, and Miami. Facilities are under construction at Columbia, S. C., Hartford, San Antonio, St. Louis, and Indianapolis. Land has been purchased at Tyler, Tex., and Norfolk. A corporation has been formed for building the recommended facilities at Houston. At Baton Rouge and Little Rock, State-enabling legislation has been passed under which it is proposed the cities will petition for public benefit corporations. At Boston, members of the market authority have been appointed to choose the site, sell the bonds, and build the market. At Huntington, a city ordinance, passed in September 1950, created the market board which will build and manage the market.

2. *Materials-handling research is pointing the way toward savings in labor costs.*—Work in this field is currently limited to (1) stores and warehouses of wholesale fruit and vegetable distributors, (2) cotton warehouses, and (3) apple-packing and storage plants. A report showing how fruit and vegetable distributors can use their present equipment to better advantage has been published. Three special reports dealing with equipment for handling cotton have been released to the industry. These reports covered new methods of stacking cotton, the use of industrial trucks for transporting cotton inside warehouses, and the use of the portable platform dial scale for weighing operations. Five additional reports are being prepared.

Observations of the time required and methods used in materials-handling operations in produce stores and cotton warehouses show that it is possible for handlers of these commodities to effect savings of as much as 40 percent in their labor costs for certain operations, by adopting improved or revised methods of using their present materials-handling equipment. Since these improved methods do not involve the purchase of equipment, they are finding a ready acceptance by individual dealers and warehousemen.

Project 70. Improving market outlets for various kinds of cotton

Objective.—To develop basic information regarding the (1) types and qualities of cotton best suited to the manufacture of each of the principal types of products made from cotton, (2) the adaptability of each variety and strain of cotton as grown in various producing areas to specific end uses, (3) the quantities of cotton required for each of the principal types of cotton products at various levels of

textile production, (4) the aggregate available market outlet for cotton of each type and quality, and (5) the relation of production of cotton of various types and qualities to available market outlets.

Accomplishments.—A publication released in February 1949 provides definite information on averages as well as the limits of the range for each factor of quality in the raw cotton being used for the manufacture of each of 10 important cotton products; trends in consumption of cotton in each of the 10 products; the market outlets for cotton in each product; variety or varieties of cotton deemed most suitable for each of the products; and factors affecting the amount of cotton consumed in each product. The work showed that the aggregate available market outlet for cotton in the 10 products is approximately 3,000,000 bales at current levels of consumption. This information is of direct value to the cotton industry in providing bench marks concerning raw-cotton quality and product quality for each product included in the study. Producers of cotton suitable for these products are provided an indication of the extent of available market outlets in specific products. Additional mill and laboratory studies are in process for 10 additional cotton products.

Project 134. Measuring the bread-baking quality for wheat

Objective.—To develop a rapid, simple, and practical test for estimating the bread-baking quality of wheat, for use in the routine inspection of wheat under the official grain standards.

Accomplishments.—A method has been developed for preparing from wheat, in about 2 minutes, a small quantity of flour for use in the sedimentation test that reflects the bread-baking quality. The entire test, including the preparation of the samples, can be completed in about 15 minutes. It appears that the sedimentation test will in general prove to be as good an index of bread-baking quality as the protein test for hard wheats. In the case of wheat of inherently inferior gluten quality or in which the gluten quality has suffered as a result of unfavorable growing conditions, the sedimentation test becomes a better index of bread-baking quality than the protein test. This test can be performed more quickly and inexpensively than the standard protein test, which requires about 45 minutes and involves the use of elaborate and expensive equipment. It is believed that the work on this project from the standpoint of developing the test and applying it under actual field inspection conditions will be completed by the end of fiscal year 1952 and that thereafter a proper educational program will result in its adoption in the marketing of wheat.

Project 90. Improvement in the standards for the market classes and grades of livestock and meats

Objective.—To obtain for livestock growers returns more closely in line with the quality of their products and to facilitate livestock marketing. Current work is designed to extend and improve the class and grade standards for livestock and meat by developing and applying more nearly objective measures of the factors that determine class and grade and to develop methods for estimating the skeletal composition of the live animal.

Accomplishments.—Objective pork carcass grade standards for barrows and gilts have been developed on the basis of relationships established between certain carcass measurements, yields of cuts, and quality of cuts. From these data, standards for slaughter barrows and gilts have been developed, which, under extensive field testing, have proven very effective in reflecting these same differences in the live hog. The application of the principles of these standards to hog-buying practices has already been adopted by a small segment of the swine industry and is resulting in a much more equitable system for purchasing hogs.

The development of a series of 116 different color photographs for illustrating the minimum requirements for each of the grades of carcass beef has received widespread approval as a most important aid in the interpretation of these grade standards. These photographs are used regularly by the Federal meat-grading supervisors for interpretation of standards and have done much to facilitate the maintenance of uniformity in grading throughout the country. Similarly, these pictures have proven of great value in discussions with the trade on grade revisions and demonstrations of grades.

Project 89. Improvement in the application of live-animal grades

Objective.—To instruct market reporters in the correct application of live-animal grade standards as a basis for price quotations, in order that the price information in the market reports published may be as accurate as possible and useful to the producer in the efficient marketing of livestock.

Accomplishments.—Typifying improvement in live grading as expressed in terms of percentage of a full grade, one reporter showed a deviation of 38 percent for the last quarter of 1948 and 23 percent for the corresponding quarter of 1949; another showed 12 percent for the second quarter of 1949 and 3 percent for the last quarter; another showed a 10 percent deviation for the year 1948 and 2 percent for 1949; in another case the deviation for the year 1948 was 30 percent or nearly one-third of a grade, while for 1949 his grading showed practically no deviation; another reporter's deviation was 22 percent for the year 1948 and 13 parcent for 1949; and one reporter was 35 percent off in the second quarter of 1949 and 18 percent in the fourth quarter of that year.

Project 410. Yield of dairy products from a given quantity of milk

Objective.—To determine the amounts of various dairy products which may be obtained from a given quantity of milk. Since yields have a direct influence upon the value of milk utilized in a given dairy product, it is important that producers and producer organizations have accurate information available as to normal dairy yields in order that they may determine whether they are receiving their full share of the value of milk processed into a given dairy product. Accurate information as to normal dairy product yields should enable dairy plant operators to detect inefficiencies in their manufacturing operations. Elimination of such inefficiencies should work in the direction of more equitable payment of producers for their products and of lowering the prices of dairy products to consumers.

Accomplishments.—Information developed as to the relation of fat to solids-not-fat in milk has helped to provide a basis for the development of methods of paying producers for milk on the basis of solids-not-fat as well as the fat in the milk. The nonfat solids yield factors obtained as a result of this work should assist in the development of more realistic measures for the value of milk utilized in manufactured dairy products. This will be particularly helpful in establishing "use values" under Federal milk orders.

Project 385. Survey and analysis of the sugar marketing structure and possibilities for improvements in marketing methods and practices and of reducing marketing costs

Objective.—To analyze the practices and methods used in marketing sugar, sugar beets, sugarcane, and molasses, and to determine if efficiencies might be increased and costs reduced by improved methods and practices. Currently, emphasis is being placed upon review and evaluation of the processes, facilities, and equipment used in marketing sugar and industrial molasses.

Accomplishments—(1) *Development of information concerning the utilization of industrial molasses in feed.*—A report published in February 1950 provided very helpful information to the molasses trade, to feed dealers, and to farmers. Possibilities were pointed out for reducing delivered costs of molasses through more widespread use of tank-truck deliveries which appears to have encouraged adoption of such a delivery system in some areas. The cost advantages of using molasses for feed under price relationships that have existed between molasses and corn was also pointed out. The information collected is also of much value in evaluating molasses supplies and requirements and would be particularly useful in any allocation or control program necessitated by the national emergency. The results of the work have been helpful to the Department in analyzing the need for molasses export controls.

(2) *Improvement in sugarcane marketing practices in Louisiana.*—Marked improvements in the efficiency of sugarcane marketing in Louisiana during the past season were due in part to the adoption of many of the recommendations made in November 1949, the more important of which were—

(1) That a purity clause be included in the cane-purchase contract to discourage the marketing of old, stale cane and improperly topped cane.

(2) That the 3-percent tolerance for normal trash be eliminated in order to provide a positive incentive for growers to market a cleaner, or higher quality cane.

(3) That no sugar mill use trash determination as a competitive technique in securing cane.

(4) That trash and sucrose content of cane be determined on an individual grower basis.

(5) That mills improve trash-sampling methods, by taking larger and more frequent trash samples.

These changes constituted the basis for changes in the 1949 contractural arrangements between growers and processors. These changes alleviated such

unsound marketing practices as the delivery of dirty, trashy cane for processing, and the use of excessive trash allowances as a device for procuring cane.

(3) *Determination of changes in sugarcane marketing practices needed to increase marketing efficeincy in Puerto Rico.*—A report published in November 1950 pointed out needed changes in sugarcane marketing practices in Puerto Rico. The report recommended that members of the industry in that area adopt uniform settlement practices and periods so that all producers and processors share equitably in risk bearing and participate fairly in returns; that practices be eliminated that add to marketing costs such as excessive transportation allowances to growers by mills, excessive long hauls of cane, and unnecessary cross-hauls; and that the terms and conditions of cane purchases be contained in contracts executed between individual producers and processors.

Project 392. Motion and time studies of labor operations to improve the efficiency and reduce the costs of marketing agricultural commodities

Objective.—To determine, through motion and time study techniques, improved methods, equipment, and lay-out in retail food store operations, in order to increase labor efficiency and reduce costs and margins at the retail level of agricultural marketing.

Accomplishments.—The grocery departmental operations which have been studied include receiving, checking in, price marking, movement to sales floor, stocking shelves, and the check-out. Observations were made in a representative number of stores of a large midwestern chain organization.

Preliminary findings indicate that in the receiving operation, production could be increased from a minimum and maximum of 83 and 227 cases of commodities per man-hour to 314 and 358 cases, respectively. Truck tie-up time was reduced by an average of 45 percent.

An improved method of checking in the merchandise reduced the minimum and maximum time of 2.4 to 4.4 man-hours per 1,000 cases to an average of 1.96 hours per 1,000 cases.

The average clerk was price marking 45 cases of 24 No. 2 cans per man-hour, which was increased to 87 cases per man-hour by the use of improved methods, equipment, and lay-out.

It was found that the average stock clerk through the use of improved methods in all phases of the stocking operation could increase his production by more than 40 percent.

The check-out operation represented more than 20 percent of total labor requirements in all stores studies. A new check-out counter was invented that increased labor efficiency by as much as 38 percent.

The methods, lay-out, and equipment developed under this project are rapidly being adopted by one of the largest chains in the United States, and will be used in hundreds of its stores.

Project 106. Improving distribution methods and practices in the handling of foods

Objective.—To reduce spoilage of perishables and cut marketing costs through improved merchandising practices. The current work includes, among other things, methods of preparing, displaying, and caring for foods, methods of buying, record keeping, and pricing to reduce costs, increase sales, minimize waste, increase consumer satisfaction, and otherwise improve practices of food distributors. It involves experimental training programs for retailers and their employees to appraise the effectiveness of such programs.

Accomplishments.—Substantial reduction in waste and spoilage losses, retention of quality, increased sales, and improved efficiency in the handling of fresh fruits and vegetables are reported as the result of the experimental training of retailers throughout the country in improved methods of merchandising fresh fruits and vegetables. This training, which was inaugurated more than 3 years ago in November 1947 under contract with the United Fresh Fruit and Vegetable Association, has been made available in 36 States and the Territory of Hawaii and classes of instruction attended by over 20,400 retailers and their employees. During the past year a total of nearly 6,000 were trained. In this period, classes were held in 19 new cities or areas.

Conservation of food through proper handling and care in retail stores and the efficient utilization of manpower in stores has assumed increasing importance in recent months and will become even more crucial as the mobilization effort continues. Instruction for retailers, which has as its objective the reduction or prevention of losses through spoilage and improper care, therefore, can make an important contribution to the mobilization effort.

A survey of retailers who have received training under this program showed that more than 96 percent reported that the adoption of practices recommended in the training had enabled them to substantially reduce spoilage losses and increase their sales of fresh fruits and vegetables. Moreover, very large percentages of those trained reported that they had adopted recommended practices, such as proper trimming to eliminate undue waste, watering and overnight care to preserve quality, and other such handling practices.

Although the basic plan of training developed under the project provides for 1-day classes, it was found that many retailers, expecially operators of small stores, found it virtually impossible to leave their establishments during business hours. As a result, a modification of the 1-day class was developed to make it possible for these retailers to receive training during evening classes. Such classes were first tried out in Chicago, Ill., in January 1950 and have proved highly successful. As a result, similar classes were conducted in nine different areas of the country during the course of the past year.

Experience under the training program also has indicated that retailers will adopt and put into practice more of the merchandising practices taught in the regular training classes if there is some means of following up this training. Because wholesalers of fresh fruits and vegetables are in almost daily contact with retailers, it has been found that they can most effectively perform this follow-up job. As a consequence, a new aspect of the program has been developed and will be employed experimentally later in the fiscal year. This provides for special training of employees of wholesalers in retail merchandising techniques. By this means, wholesalers can assist retailers in adapting to their individual operations the merchandising principles and handling techniques recommended in the retailer training classes.

Preparation of a manual for use of instructors and a handbook for retailers participating in a similar program of training in improved merchandising of poultry, eggs, and their products is well under way. The first series of experimental training classes in the poultry and egg field are now being held.

STATE MATCHED FUND MARKETING SERVICE WORK

Project 430. Dissemination of special market information and the improvement of distribution and merchandising practices

Objective.—To provide for cooperative work with State departments of agriculture and marketing bureaus in improving the distribution of, and expanding market outlets for, agricultural products through (1) the dissemination of special market information on national and local supplies, demand, individual market conditions, new uses, market movements, probable dates of harvest, the quantities and qualities or types of packs desired in different markets, etc., and (2) assistance to producers, assemblers, handlers, processors, and distributors in the effective assembly, preparation, grading, packing, packaging, loading, handling, transporting, processing, merchandising, and selling of agricultural products.

Example of accomplishments in one State.—Watermelons are Oklahoma's largest perishable crop. Approximately 90 percent of the producers were contacted, their marketing problems discussed, and procedures set up to solve the various problems. During the harvesting and shipping season, prompt assistance was given in harvesting, grading, and shipping, in furnishing information on market conditions, and in otherwise guiding the marketing program. A motion picture was completed and used to illustrate proper and improper methods of marketing this product. This film has been widely exhibited to farmers, buyers, groups at large consuming markets, civic groups, and consumers.

Prior to the marketing season many principal buyers of melons in the United States and Canada were contacted. They were informed of the quality and acreage, and the location of shipping points. As part of the marketing information, the State department of agriculture is informed by shippers of any loaded cars which are unsold. This information is given to the buyers, which saves considerable time in bringing buyers and sellers together.

Oklahoma farmers received favorable prices for their melons during the season, and at no time did the price received vary more than 10 cents per hundredweight. Prior to the present marketing program, prices received by farmers varied as much as 50 cents per hundredweight. Over a million dollars worth of melons were sold in Oklahoma during the past season, including both truck and rail shipments. Through the improved marketing program, the State estimates that $100,000 was added to farm incomes in Oklahoma.

Blackberries.—Much loss has been encountered in past seasons in Oklahoma because of lack of adequate marketing facilities and marketing procedures for

blackberries. As a result producers did not receive satisfactory returns and consumers did not receive good-quality berries. To improve this situation, a program was inaugurated to provide for central collection and distribution points, proper methods of handling, packaging, and transportation, carefully planned market distribution, and suitable market information.

A central sales warehouse has been established in the chief producing area by an association of growers. The market is managed by a local farmer, who is assisted by a marketing specialist. The marketing specialist contacted the trade prior to harvest and made arrangements at that time for placing the entire crop. Only fancy-grade berries reached the fresh market. All other berries were sold to a processing plant. Assistance was given the processor in placing the processed berries.

The blackberries were sold at a price of 1 to 2 dollars per crate above prices prevailing in other sections of the State where there was no organized market facility. An estimate by the State indicates that the assistance given the farmers was worth as much as $25,000 in added returns. The market was at no time glutted, and a high-quality product reached the consumers.

Project 431. Improving and expanding market information, basic data, grading, and other marketing services

Objective.—To provide for cooperative work with State departments of agriculture and bureaus of markets in carrying out effective market service programs, including (1) the collection, tabulation, and interpretation of specialized agricultural data, which may include acreage, yield, number, age, variety, production, and storage stocks; (2) special market information concerning supplies and requirements, movement, distribution, inventories, and prices; (3) experimenting with new or improved grading and inspection work and methods; and (4) investigating the need for or desirable features of proposed new or modifications of existing marketing service programs.

Example of accomplishments in one State (Kansas).—A survey was conducted by counties to provide information on the quality of wheat, such as protein content, test weight, and character as well as acreage, yield per acre, and variety. Information and comments such as location of the field sampled, lodging, hail, insect and disease damage, and other pertinent data were noted. Wheat samples were dried to a uniform moisture content, threshed and tested per bushel and protein content on the basis of 14 percent moisture.

In both 1949 and 1950, information on test weight, protein content, and character of the crop by counties and by crop-reporting districts was presented in a series of special releases. In 1950, an average of only 6 days elapsed between the time a county was sampled and the date the information was available to the public. General statements on wheat quality, insect, and weather damage were included in these releases which were made available to farmers, millers, grain buyers, newspapers, radio stations, and others concerned in the handling of Kansas' most important commodity.

The preharvest wheat quality survey has provided an accurate basis for marketing during the rush of the wheat harvest. Millers and other grain buyers are better informed regarding the location of the various quality types best fitted to their needs and thus they are able to make proper adjustments in their prices, based upon the more complete appraisal of the value of wheat.

Project 432. Technical assistance to marketing agencies in improving operating efficiency

Objective.—To make available to agricultural marketing organizations, when needed, the services of specialists in the organization and operation of marketing and facilities. Such services will be rendered upon request of the marketing firms or, when requested, in cooperation with programs of other agencies.

Example of accomplishments in one State (North Carolina)—Marketing lint cotton.—The primary problem in marketing lint cotton is maintaining the quality of the product in the ginning process, and thereby reflecting the fullest possible grade and staple value at initial marketing levels. The work involves routine visits to all gins in the State to inspect mechanical equipment and operating techniques; visits in response to special requests from owners or manufacturers' representatives for consultations regarding new installations, major improvements, or additional facilities, and visits indicated by cotton classing reports or buyer and mill complaints.

A total of 790 visits were made to 435 gins during fiscal year 1950. Fifty-eight contacts with other cotton interests were made. The specialists participated in planning 14 completely new gin plants and major improvements on 52 others.

(A major improvement means an investment of not less than $5,000.) Gin inspections also included a check for fire hazards with recommendations for safeguards.

Cooperation was also given eight county ginner groups in organizing for cotton improvement programs and improving ginner-customer relationships.

The percentage of rough prep ginned in 1947 was 19.8. In 1948, it was reduced to 4.8 percent. This reduction in rough prep is estimated to have increased the value of the 1948 crop by over $600,000 in North Carolina.

The 1949 cotton harvesting season was exceptionally unfavorable, owing to bad weather. However, percentage of rough preparation increased, over the previous year, only eight-tenths of 1 percent. The reduction in the percentage of rough preparation since the initiation of this project in 1948 has shown a grade index improvement of approximately 3 percent.

Mr. WHITTEN. I would like to have your assurance that you will conduct a general review of the activities in this field for the next fiscal year to see if perhaps some of it should not be delayed until more normal times.

BENEFITS FROM SOIL CONSERVATION PROGRAM

Also, I would like to have a statement inserted in the record at this point concerning the benefits which the people of this country have received from your efforts in the soil conservation field.

(The statement is as follows:)

AGRICULTURAL CONSERVATION PROGRAM

Farmers have not usually been able heretofore to fill the demand for agricultural commodities, and at the same time pay the cost of the depreciation of their production plant. They have had to draw on soil resources; that is to say, on their basic capital. Soil resources are not inexhaustible. Under a system of wise soil management, however, the farmers can make their land produce without losing its productive capacity. The agricultural conservation program helps them to establish and follow such a system.

The pressure of production to meet combined domestic and foreign demands could speed erosion and make heavy drains on the natural fertility of the soil. This accelerated production of soil-depleting crops and the disruption to normal rotation practices will jeopardize the future ability of the soil to produce unless positive measures are taken to protect the land. For instance, research discloses that each acre shifted from clover to corn, without careful protective measures, causes an annual loss of about 4 percent of the organic matter in the soil, makes serious inroads on the reserves of essential soil minerals, and leaves the land open to be washed and blown away.

Conservation practices carried out by the Nation's farmers because of the assistance given by the agricultural conservation program strengthens the Nation's production capacity and provides assurance of the continuing ability of the agricultural resources to produce commodities in the amounts required for any emergency.

Experience has proven that a sufficient volume of agricultural conservation measures cannot be carried out unless everyone teams up with farmers in their oil-building efforts. The tangible assistance offered by the Government is con-

crete evidence to the farmers that conservation is so vital to the general welfare and is of such importance that it merits the attention of the Nation.

A few of the reasons why assistance is needed are:

1. Many farmers cannot afford to engage in conservation farming. In spite of the fact that many farmers are now receiving good prices for the commodities they produce, their expenses also are much higher. The lack of ability to pay varies with the type of work that needs to be done and with the individual farm. But there are still large numbers who cannot pay the entire cost of carrying out practices.

2. A very large proportion of the Nation's farmland is cared for by tenants who have annual leases. Operators who have short-time control of the land have little interest except to get the greatest cash returns in the shortest length of time. Consequently, they see no reason to devote time, money, and effort to expenses which will be of value primarily to the landlord and to the general public. Frequently landlords of these tenants are absentee and also are interested only in cash returns.

3. Tenants, landlords, and operators are confronted with the necessity of making a living as well as preparing to turn over their farms to posterity in good shape. Necessary consideration for their families may cause them to exploit the land without stopping to think that the sacrificed soil may be the determining factor in the national economy in which their children must live.

4. For some farmers who may not be fully convinced that carrying out soil-building and soil- and water-conserving practices on their farms will actually pay in increased yields per acre, lower costs of production, etc., minor financial assistance goes a long way toward proving the value and need for conservation.

The job of maintaining the Nation's agricultural resources at a level that will assure adequate production is a never-ending job—an expensive job. But translated in terms of the cost to an individual, it is cheap insurance to guarantee future abundant supplies of food, feed, and fiber. Ordinarily, from 330,000,000 to 340,000,000 acres devoted to about 52 principal crops are harvested each year. If this cropland were divided equally among every man, woman, and child, the share of each one would be about 2½ acres. The public funds which are used to pay part of the cost of keeping the land in shape to produce abundantly to meet our needs both now and in the future costs something less than $2 per person each year. For every dollar of Federal funds spent, the farmer, who is custodian of the soil, spends one to two dollars and, in addition, furnishes the required labor to complete the practice.

Even though farmers are the recipients either in cash or conservation materials and services under the agricultural conservation program, the primary benefit is to the entire economy and only incidentally to farm operators. The entire responsibility of building up and maintaining the agricultural resources, to which we owe so much of our strength as a Nation, should not be placed upon the farmers who represent only about 20 percent of the population.

In view of the prospective pressure of production demands, it is obvious that we must not slow down in our soil-building efforts. Conservation practices must be stepped up to restore the fertility being removed by heavy production and to prevent the waste of the soil through erosion. The encouragement of conservation through the agricultural conservation program is the cheapest, most prudent thing that can be done—it is the best insurance against diminishing fertility and dwindling productivity. In fact, the world position of the United States may be foretold by the manner in which we guard our agricultural resources.

Selected conservation practices carried out under the 1936–49 agricultural conservation programs and estimated needs

Practice	Unit	Program year			Conservation needs [1]		Accomplishments as percent of need
		Cumulative 1936–48	1949	Cumulative 1936–49	Remaining after 1949	Total	
							Percent
Standard terraces	Acre	15,378,334	1,566,098	16,944,432	97,407,315	114,351,747	14.8
Contour stripcropping	do	[2] 4,596,711	[2] 243,277	[2] 4,839,988	47,253,896	52,093,896	9.3
Sod waterways	1,000 square feet.	9,360,233	2,387,259	11,747,492	198,366,190	210,113,682	5.6
Drainage (open and enclosed).	Acre	19,659,446	3,718,559	23,378,005	58,506,129	81,884,134	28.6
Dams for livestock, erosion control, and irrigation.	Number	817,851	99,368	917,219	2,047,488	2,964,707	30.9
Tree planting	Acre	688,450	95,573	784,023	30,148,658	30,932,681	2.5
Permanent cover on eroded land.	do	1,585,490	210,955	1,796,445	6,580,961	8,377,406	21.4
Seeding and reseeding pastures.	do	40,801,918	5,035,975	45,837,893	120,477,282	166,315,175	27.6
Leveling to conserve irrigation water.	do	3,826,978	653,594	4,480,572	7,948,118	12,428,690	36.0
Fireguards on range land	1,000 linear feet.	629,639	68,028	697,667	1,823,160	2,520,827	27.7
Application of liming materials.	Ton	208,326,459	24,433,957	232,760,416	78,875,597		[3] 31.0
Application of phosphate materials.	do	18,085,579	3,109,792	21,195,371	17,339,921		[3] 17.9
Green manure and cover crops.	Acre	212,796,507	17,379,703	230,176,210	100,939,443		[3] 17.2
Contour farming (intertilled and close-seeded crops).	do	116,669,530	[2] 5,985,334	122,654,864	131,951,401		[3] 4.5
Field stripcropping	do	64,808,924	6,834,376	71,643,300	36,905,450		[3] 18.5
Crop residue management (stubble mulch and leaving stalks).	do	89,628,262	7,691,728	97,319,990	38,703,099		[3] 19.9
Tillage operations on cropland to prevent erosion.	do	76,185,699	4,495,776	80,681,475	8,949,000		[3] 50.2

[1] Revised.
[2] Includes cross-slope farming.
[3] 1949 extent as percent of annual need.

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